

**DEPARTMENT OF THE INTERIOR AND RE-  
LATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2006**

---

**WEDNESDAY, MARCH 10, 2005**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 9:29 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.  
Present: Senators Burns, Stevens, Cochran, Allard, Dorgan, Leahy, and Feinstein.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. GALE A. NORTON, SECRETARY**

**ACCOMPANIED BY:**

**P. LYNN SCARLETT, ASSISTANT SECRETARY FOR POLICY, MAN-  
AGEMENT AND BUDGET**

**JOHN D. TREZISE, DIRECTOR OF BUDGET**

**OPENING STATEMENT OF SENATOR CONRAD BURNS**

Senator BURNS. We will call the subcommittee to order.

We have got a lot of work going on this morning. We have got a couple of members here who are in the middle of markups, and we have got markups along with those fellows over there.

I am going to forego my opening statement right now. The chairman of the full committee is here. I guess not the full committee. But Mr. Stevens is here.

Because he has a markup starting over in Commerce, where Senator Dorgan and I are supposed to be in a little bit, and then you have got a markup in Budget, and I understand that is taking up your time for Senator Allard.

So I will call on Mr. Stevens, if you have an opening statement and want something for the record, you are free to do that at this time.

**OPENING STATEMENT OF SENATOR TED STEVENS**

Senator STEVENS. Thank you very much. I accept your yielding to me on a matter of age. All right?

Senator BURNS. I was afraid to say that.

Senator STEVENS. Madam Secretary, I will see you later this afternoon, but I have come over to specifically put in the record

some questions I would ask you to respond to. I am really very seriously worried about the budget and how it affects my State. As I told you, we had 703 fires totaling 6.5 million acres that burned last year, and the effort to fight those fires was just absent. So I would hope that you respond to that.

The other thing that worries me considerably is—you know, most of my friends here do not understand this, but I was one of the original co-sponsors of the Endangered Species Act. We have listed the spectacled eider and the Stellers eider. These two species have now been listed as threatened, but the money for dealing with endangered species and threatened species in Alaska is reduced by \$1 million. I just do not understand that. I do not ask you to answer now, but I just hope you would answer for the record and work with us as we try to correct some of these things.

We are besieged this year more than ever before with attacks because of our pork, the add-ons, the changes we make in the budget. I think we need to reprioritize the budget and I hope you will assist us in this regard to take care some of the meaningful problems in our States.

I appreciate it, Mr. Chairman.

Senator BURNS. Senator Allard, you are in the middle of a mark-up upstairs right now, I guess.

#### OPENING STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. We are and actually we have moved it over to the Capitol because we have a lot of votes this morning too on the floor.

I just want to personally welcome the Secretary here. We go back a ways in Colorado. I just want to state for the record I think she is doing a great job and have appreciated working on many issues very important to Colorado and the western States.

There is no doubt, Mr. Chairman, that this is going to be a very tight budget year. While we go through this budget on Interior, I think we have to be very deliberative and very careful the way we move forward on that. I want to be a positive force in our efforts to make sure that we can restrain spending. We need to do that because of the deficit accumulation, but also we need to do it very thoughtfully.

So I just wanted to welcome her briefly and thank you, Mr. Chairman. This is my first subcommittee and I am looking forward to working with you and the other members, Mr. Chairman, and I will submit my full statement for the record. Thank you very much.

Senator BURNS. Without objection, that statement will be made part of the record.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR WAYNE ALLARD

Mr. Chairman, Thank you for holding this hearing today. I am pleased to have a chance to discuss the projected budget for the Department of Interior. I'd like to extend a special welcome to Secretary Norton. Gale and I go way back, and I think that she has done an exceptional job in handling an agency that is very important to Colorado, and the nation.

Specifically I want to thank you for the work that you, and the rest of the Administration, have done to protect state water rights, and to foster an atmosphere of

cooperation—rather than oppressive mandates—with regard to the potential listing of “endangered species.”

We all know that this is going to be a tough budget year. The President had difficult decisions to make in his projected budget request. While I realize that difficult adjustments must be made, I think that we must be careful and deliberative when making these adjustments.

I am going to have to leave early to participate in the Budget Committee markup, but I look forward to working with you, Mr. Chairman, and the rest of the Committee, to see that worthy projects and programs continue to be funded in a responsible manner.

Senator BURNS. I have got a short statement here that I will open up with this morning and I will turn to my friend from North Dakota.

Good morning and welcome, Madam Secretary, to this subcommittee.

The budget, it looks like, presents several challenges, as you have heard from two members of this committee. Like most agencies in Government, you have been charged by your President and his eyeshades over at OMB to write a budget that helps reduce the size of the deficit. I do not envy your task, even though it is an important one. Neither do I envy the task that lies before this subcommittee, as we begin to put the appropriations bill together.

The bottom line is that the request under this subcommittee’s jurisdiction is about \$600 million below last year’s discretionary spending, and that is without factoring in hundreds of millions of dollars that it takes just to keep pace with pay increases and other fixed costs. Maybe we better start looking down there and see how much dead wood you have got around the Department of the Interior to find some savings. If you can find some, I would appreciate any information that you could forward to this subcommittee. But our fixed costs total about \$159 million in the Department of the Interior alone.

All of this translates into some pretty stark math within your request. You have elected to zero out the Land and Water Conservation Fund State assistance program for a savings of around \$90 million. You have reduced Payments in Lieu of Taxes by \$27 million. You have reduced funding for a variety of Indian education programs, such as Tribally Controlled Community Colleges and the Johnson-O’Malley grants. And you have proposed to terminate the rural fire assistance program, cut in half the Save America’s Treasures program, and reduce by \$28 million the Mineral Resource programs within the U.S. Geological Survey.

I do not say all this to imply that cutting or terminating programs is necessarily bad. Obviously, we have to make some tough choices in order to control Federal spending and weed out the programs that are not working so well. I think what we are interested in is what is behind the choices that you have made.

Your budget also made room for a number of significant increases. Funding for historical accounting of Indian trust accounts is up \$78 million. Let me sort of have a little word about this. I do not know whether we are getting anywhere or not. This looks like we are just pouring money down a black hole, and between you and judges and everything else, it has got most of us up here on the Hill sort of confused.

You have asked for an additional \$21 million for Private Stewardship and Landowner Incentive programs, \$58 million for aban-

doned mine lands, and \$20 million for the troubled LANDSAT program. You have requested \$12.5 million for a new Preserve America program.

What we hope to achieve today is a better understanding of why some of these items were viewed as higher priorities than those that were cut. I do not anticipate that the budget resolution that Congress will soon adopt will provide any great relief to this committee. So I will have to wrestle with many of these same questions and tradeoffs. We hope that you can help us with your testimony and as we work in the weeks ahead to come down with a budget and appropriation that we can live with. So I would appreciate your being as candid as you possibly can in this area.

I want to thank you again because I certainly appreciate in the past that we have worked together on many programs and we have worked our way through them. I appreciate that cooperation. But we seriously have a huge challenge ahead of us today.

By the way, I will give you some idea of what is ahead of us today from a time standpoint. These are the questions. There are four questions on each page. So I hope you have maybe packed a lunch or something. We will work our way through it.

Now I would turn to my good friend and ranking member on this committee, Senator Dorgan.

#### OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much.

Madam Secretary, welcome.

The chairman has raised a number of issues that I would also echo. I think funding for tribal colleges, the recommendation really just retracts the last 2 years of progress that we have made, zeroing out the funding for the United Tribes Technical College, a college which you visited in Bismarck, and also Crownpoint in New Mexico is something I certainly do not support.

The cuts in funding in a number of areas. Payments in Lieu of Taxes, for example, I think is difficult and troublesome. There are just a number of areas I think that we need to work through.

I do not understand this historic preservation fund called Preserve America. You are cutting heritage area funding. You are cutting Save America's Treasures funding, and then to create a new essentially non-Federal program with Federal money to accomplish the same goals. My guess is, my hope is that we will strike that as we did last year.

We want the Agency to do well. I notice in your testimony you anticipate opening ANWR to drilling. Let me just make an observation about that. Every 25 years or so we go through this angst about an energy plan and our response to it is to dig and drill. So every 25 years, we will select some other pristine spot and drill there and dig someplace else, and we will not have enhanced our country's energy future at all. We need to move to a different construct for energy.

But I think, as you know, the issue of drilling in ANWR is controversial. I respect those who support drilling in ANWR, but I personally think all that does is just repeats the same old, tired arguments that we do every 25 years that never actually makes America less vulnerable. We are more vulnerable than ever. Now 60 per-

cent of our oil comes from off our shores, much of it from troubled parts of the world. The solution is not to drill in ANWR. The solution is to go to a hydrogen fuel cell economy and stop running gasoline through carburetors. The President has taken a baby step in that direction which I support. I would support a much more aggressive and bold step.

There is a lot in this budget to chew on, as the chairman indicated. We want to work with you. We want the Department of the Interior to do well, to function effectively and efficiently. I hope that perhaps we can spend a little time talking about our trust responsibility with respect to Indian education as well at this hearing.

But as the chairman indicated, we are going to have probably an abbreviated hearing because of a markup going on in the Commerce Committee.

But, Madam Secretary, you have been doing this now for some long while. We are glad you are back with us and look forward to talking to you about these issues. Ms. Scarlett, and is it Mr. Trezise?

Mr. TREZISE. Yes.

Senator DORGAN. Thank you for being with us as well.

Senator BURNS. Thank you very much.

Senator Leahy.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Mr. Chairman, I will have questions. I could not help but think when Senator Dorgan was talking about opening up the Arctic Refuge, they are assuming \$2.4 billion from lease sales. I will be interested in hearing how much you are going to sell it for. We did a quick calculation. To make that, you would have to be selling these leases for around \$4,000 to \$6,000 an acre on the North Slope. I think they have averaged around \$50 per acre. So I will ask the specific question just how you reach that amount.

Also I will have questions on the fisheries budget because I notice that, notwithstanding a very clear congressional requirement, you have cut back very considerably from what the Republicans and Democrats on this committee and the Congress had voted for. But I will hold those for the questions, Mr. Chairman.

Senator BURNS. Thank you, Senator Leahy.

Madam Secretary, we look forward to hearing your statement and, once again, welcome to the subcommittee.

#### SUMMARY STATEMENT OF HON. GALE A. NORTON

Secretary NORTON. Thank you very much, Mr. Chairman and members of the committee. I am happy to be here this morning along with Lynn Scarlett who is our Assistant Secretary for Policy, Management and Budget and our nominee for Deputy Secretary, as well as John Trezise who heads our budget operations.

#### COBELL LITIGATION

Before highlighting our priorities, I would like to provide some information about the *Cobell* litigation. We received a ruling on February 23 from Judge Royce Lamberth. He reinstituted the in-

junction that he issued in September 2003. It ordered the Department of the Interior to perform an expansive accounting of individual Indian trust accounts and assets. This order requires us to go back to 1887 to verify every single transaction that has taken place since that time. This undertaking involves finding and indexing millions of canceled checks, invoices, leases, ledgers, and other documents. It is the equivalent of going back to your great grandfather's financial accounts and trying to find every piece of paper that underlies those transactions.

Many of the necessary documents are currently housed in Federal archive facilities. Many other records are held by those who have leased Indian lands like oil and gas companies, timber companies, farmers, and ranchers. The judge has ordered us to develop a plan for subpoenaing these records from the private sector.

Other records are held by Indian tribes or individual Indians. These records will presumably also need to be acquired.

We would need to index and electronically image these documents so they can be effectively used by the accountants. The Department has estimated that the total cost of this accounting work would be \$10 billion to \$12 billion. That includes no payments to anyone. That is just purely for the accounting work. To put that in perspective, the entire annual budget for the Bureau of Indian Affairs is \$2.2 billion. Though our budget contains an increase to carry out the Department's plan for historical accounting, the Department's budget was obviously not constructed to address these requirements for 2005 or 2006.

As you may recall, the September 2003 order from Judge Lamberth was stayed by the Court of Appeals and by a congressional appropriations rider. The Court of Appeals later held that the congressional action invalidated Judge Lamberth's 2003 order, but it declined to address the underlying merits of Judge Lamberth's order.

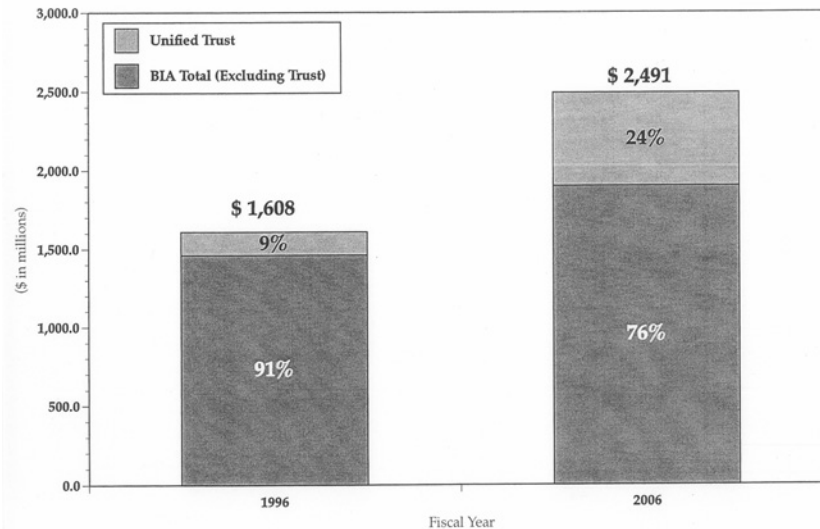
We are working with the Department of Justice on the courses of action that are available to us. It is my understanding that we have filed a motion for stay with the Court of Appeals.

#### TRUST MANAGEMENT AND HISTORICAL ACCOUNTING

Our efforts to improve trust management and to do historical accounting have necessarily been a high priority. We have a chart that shows the Department's combined appropriations for the Bureau of Indian Affairs and the Office of Special Trustee which have increased 8 percent during our term, compared to 2 percent growth in the Department's overall budget. Within these agencies, programs directly related to trust have increased by 97 percent.

The chart we have here shows that the unified trust budget is now 24 percent of the combined spending in Indian country, as compared to 1996 when it was 9 percent.

Comparison of Trust Funding  
FY 1996 to FY 2006



The 2006 budget proposes \$591 million for Indian trust management. Interior is aggressively pursuing historical accounting activities. Our results to date indicate that there are differences involving both overpayments and underpayments, but they tend to be infrequent and small. A net of about \$1.5 million in differences has been found, involving a throughput of over \$15 billion, which includes both tribal and individual funds. That is considerably less than the amount of funding we have spent to identify those discrepancies.

There is a vast gap between our findings in looking at the historical accounting and our legal positions about what types of accounts and how far back in history we should go, compared to the plaintiffs' allegations that we owe \$176 billion. The vast difference has made ordinary settlement elusive.

The litigation focuses to a large degree on what instructions Congress gave Interior in the 1994 Indian Trust Fund Management Reform Act and earlier statutes. This situation perhaps presents an historic opportunity to address this problem by fixing some longstanding problems in Indian country like fractionated land ownership that hampers economic development. We perhaps have the opportunity to modernize antiquated arrangements that cause us to spend over \$100 to manage an account with 50 cents or spend an average of \$5,000 per probate for probate accounts with as little as 11 cents.

I am pleased that Chairmen McCain and Pombo are making this a high priority and I hope that the appropriators will also continue their interest so that we can reach a bipartisan solution.

## BUDGET OVERVIEW

Beyond Indian trust responsibilities, Interior's mission is multifaceted and complex. Our overall 2006 request for programs is slightly less than 1 percent below the 2005 level. Our proposed budget continues the funding provided for park operations in 2005 and funds fixed costs. At the level proposed in our 2006 budget, park operations funding will be 25 percent higher than in 2001.

## HISTORIC PRESERVATION AND HERITAGE TOURISM

In addition to enjoying outdoor recreation on public lands, more and more Americans are visiting historical and cultural sites. The National Park Service offers several programs that focus on historic preservation and heritage tourism. The 2006 budget contains \$66 million for historic preservation and heritage tourism including \$12.5 million for Preserve America. Initiated by the President and First Lady, Preserve America recognizes community efforts to develop sustainable uses for their sites and to develop economic and educational opportunities related to heritage tourism. To date, over 200 communities in 34 States have been designated as Preserve America communities.

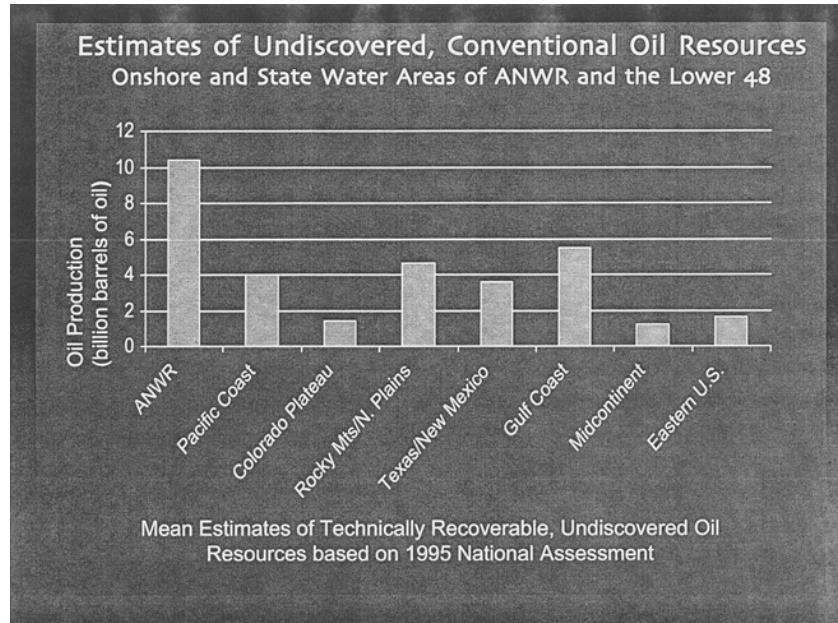
## ENERGY DEVELOPMENT

Interior is one of the few Federal agencies that takes in more money than it spends. The key generator of revenue is responsible energy development. In 2006, Interior will help meet America's energy needs by providing appropriate access for exploration and development on Federal lands and portions of the Outer Continental Shelf, expediting permitting and rights-of-way processing and encouraging development and use of clean, renewable energy. The 2006 budget provides \$530 million for energy programs through appropriations and user fees, an increase of \$22 million.

The budget assumes enactment of legislation to open the 1002 area of the coastal plain in the Arctic National Wildlife Refuge to oil and gas exploration and development. The U.S. Geological Survey estimates that the entire ANWR assessment area contains a mean of 10.4 billion barrels of technically recoverable oil. That is a very significant amount.

We have a chart that shows the estimate for the ANWR area in comparison with other onshore areas. The ANWR area is the column that is furthest to the left. It is far larger than any of the other areas, and yet the geographic area is far, far smaller. The potential daily production from this area alone is larger than the current daily onshore oil production of any other State. The currently available estimates project that \$2.4 billion in revenue will come from the first bonus bid lease sale in 2007. The Congressional Budget Office recently did its own calculations and estimated that sales would produce bonus bids of \$5 billion between 2007 and 2010.





#### USER FEES

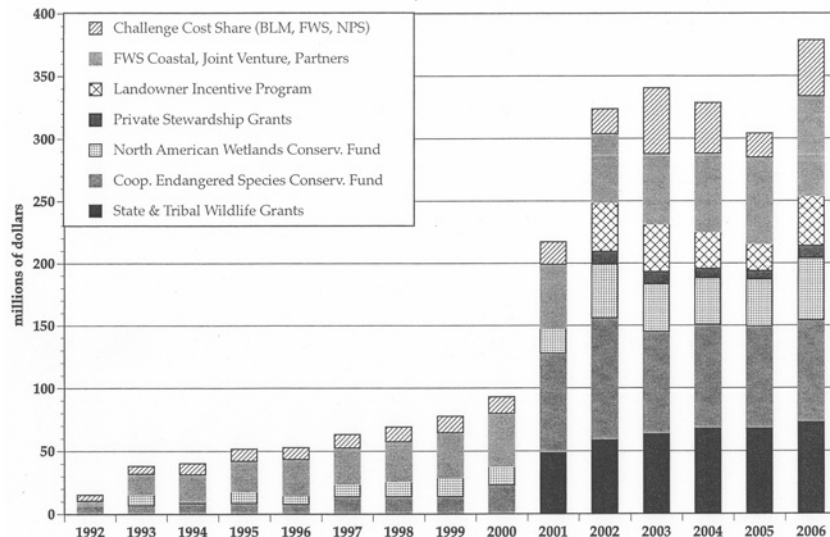
Consistent with the Government's policy to charge for Government services where the direct beneficiaries can be identified, the 2006 budget for the Minerals Management Service includes \$19 million in new fees charged to offshore energy producers.

The Bureau of Land Management will also increase its fees to energy companies for onshore permit processing from \$2 million in 2005 to \$11 million in 2006. The proposed BLM energy budget would enable them to reduce the backlog of applications for permits to drill pending over 60 days from nearly 1,700 to 120 by the end of 2006.

#### COOPERATIVE CONSERVATION

Protecting wildlife and habitat is one of Interior's most important functions. Over the past 4 years, Interior has promoted cooperative conservation by joining with citizen stewards to conserve open space, restore habitat for wildlife, and protect endangered and at-risk species. We are supporting these conservation efforts through grant and cost-sharing programs that emphasize local initiatives and partnerships. From 2002 through 2005, our conservation partnership programs have provided \$1.7 billion for conservation investments, and that is shown on this chart. As you can see, we have significantly increased the grant programs for conservation.

### Department of the Interior Cooperative Conservation Programs



In the first 3 years of President Bush's administration, for example, we restored, protected, or enhanced over 1.4 million acres of prairie and upland habitat through just two of these conservation programs: our Partners for Fish and Wildlife program and our Coastal program.

The 2006 budget includes \$379 million for cooperative conservation grant and challenge cost-share programs. These grant programs help us protect wildlife and habitat alongside productive farming and ranching. They support conservation efforts that help avoid the need to list species as endangered or find cooperative ways to recover endangered species.

#### ABANDONED MINE LAND RECLAMATION

The Department of the Interior also does restoration work to reclaim abandoned mine lands. Today more than 3 million Americans still live less than 1 mile from dangerous abandoned coal mines. We want to work with Congress to update the Surface Mining Act. Our 2006 budget facilitates congressional action by providing money to expedite cleanup of high priority sites, but also providing \$58 million to fairly address longstanding commitments to States and tribes that have already achieved their reclamation goals. The administration's approach would remove risk to 140,000 people annually.

#### WILDLAND FIRE

Interior is also reducing risks to communities adjacent to public forests and rangelands that face potential for catastrophic wildfires. Through the President's Healthy Forests Initiative and the bipartisan Healthy Forests Restoration Act, we are reducing

hazardous fuels, thinning trees and brush, and removing dead wood and invasive plants. Over the past 4 years, together with the Forest Service, we have thinned about 12 million acres of public lands. The 2006 budget provides an increase of \$10 million for hazardous fuel reduction projects. Working with the Forest Service, we expect to complete more than 4 million acres of projects in 2006.

#### STEWARDSHIP CONTRACTING

Stewardship contracting provides a new kind of partnership enabling those working with us to retain wood products in exchange for the service of thinning trees, underbrush, and other vegetation. This public/private partnership helps us expand our ability to address hazardous fuels.

#### SCIENCE

Science is a foundation for the Department's land management decisions, supporting all of our activities. The U.S. Geological Survey budget includes an increase of \$20 million in land remote sensing to continue to collect and archive satellite imagery of the United States. The 2006 budget proposes \$5 million for the USGS to work in partnership with the National Oceanic and Atmospheric Administration to enhance our tsunami early warning system to protect U.S. coastal residents in the States and territories.

#### MANAGEMENT EXCELLENCE

I want to conclude my discussion by briefly addressing our efforts to manage Interior more effectively and efficiently. Behind all of our programs, out of the limelight, rests a management foundation through which we strive to improve program efficiency. The Financial Business and Management System will integrate financial management, procurement, property management, and other systems. Today we have over 120 different property databases and 26 different financial management systems. Our managers often operate with dozens of different information management systems, each needing different passwords and training. The 2006 budget includes \$24 million for the new system, an increase of \$10 million. Ultimately we anticipate being able to eliminate some 80 different information systems, saving us time and money. Through this and other innovations, our bureaus work hard to achieve management excellence.

#### PREPARED STATEMENT

Our 2006 budget supports our vision of healthy lands and waters, thriving communities, and dynamic economies. We look forward to working with Congress to advance these goals. Thank you. [The statement follows:]

#### PREPARED STATEMENT OF HON. GALE A. NORTON

Good morning. I am pleased to be here to discuss the fiscal year 2006 budget for the Department of the Interior. I appreciate the opportunity to highlight our priorities and key goals.

The Department of the Interior's mission is complex and multifaceted. Our 70,000 employees contribute to the Nation's environmental quality, economic vitality, and the well being of communities. Our mission encompasses resource protection, re-

source use, recreation, and scientific, educational, and other services to communities.

The Department's geographically dispersed responsibilities are inspiring and sometimes challenging. Through our programs, we have close connections to America's lands and people. We protect some of the Nation's most significant cultural, historic, and natural places. We provide access to resources to help meet the Nation's energy and water needs, while protecting natural and cultural resources. We provide recreation opportunities to over 477 million people annually on our parks, refuges, and other public lands. We serve communities through science, wildland firefighting, and law enforcement. We fulfill trust and other responsibilities to American Indians, Alaska natives, and the Nation's affiliated island communities.

Four principles shape our 2006 budget. First is the power of partnerships to leverage resources and achieve results. Second is the imperative of fiscal constraint to maintain a dynamic economic context. Third is an emphasis on investments that will help Interior work smarter, more efficiently, and more effectively. Fourth is the importance of funding activities and programs linked to core Departmental responsibilities.

#### BUDGET OVERVIEW

Performance lies at the center of the President's 2006 budget request. The President's proposal also demonstrates the fiscal restraint necessary to halve the deficit by 2009 and maintain the Nation's dynamic economy.

The 2006 budget request for current appropriations is \$10.8 billion. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$4.2 billion, for a total 2006 Interior budget of \$15 billion.

For programs funded by this Subcommittee, the 2006 request includes \$9.8 billion, a decrease of \$69.7 million, or 0.7 percent below the 2005 level. Excluding contingent emergency fire funding provided in 2005, the 2006 request is an increase of \$28.9 million or 0.3 percent over 2005.

The budget projects receipts collected by the Department in 2006 to be \$13.8 billion, an increase of \$914 million and equivalent to 141 percent of the Department's current appropriations request to this Subcommittee.

Interior manages over 500 million acres and some 40,000 facilities at 2,400 locations. These responsibilities engage Interior as a principal manager of real property and other assets that require ongoing maintenance, direct services to public lands visitors, and ongoing activities to ensure public access, use, and enjoyment. As a result, a key goal of the Department's 2006 budget is to fund pay increases and other nondiscretionary cost increases for health benefits, workers and unemployment compensation payments, rental payments for leased space, and operation of centralized administrative and business systems. Providing for these costs will allow the Department to maintain basic services while continuing to improve efficiency and effectiveness to better serve the public.

The budget includes \$158.6 million for nondiscretionary, fixed-cost increases. Of this total, nearly three-quarters, or \$115.7 million, funds higher pay costs. The budget assumes a January 2006 pay increase of 2.3 percent.

Our budget also includes a number of key initiatives that will help us achieve our goals. Key activities include our efforts to:

- Pursue responsible energy development;
- Expand opportunities for cooperative conservation;
- Enhance recreation opportunities on Interior lands;
- Increase forest and rangeland health;
- Continue the clean up of abandoned mine lands;
- Advance trust reform; and
- Reduce risks resulting from natural disasters.

In his February 2 State of the Union Address, the President underscored the need to restrain spending in order to sustain our economic prosperity. As part of this restraint, it is important that total discretionary and non-security spending be held to levels proposed in the 2006 budget. The budget savings and reforms in the budget are important components of achieving the President's goal of cutting the budget deficit in half by 2009 and we urge the Congress to support these reforms. The 2006 budget includes more than 150 reductions, reforms, and terminations in non-defense discretionary programs, of which four involve Interior programs. The Department wants to work with the Congress to achieve these savings.

## ENERGY DEVELOPMENT

*ANWR Exploration and Development.*—Our 2006 budget continues our quest to achieve healthy lands and water, thriving communities, and a dynamic economy. Predictable, readily available supplies of energy at reasonable costs underlie both community well-being and economic action.

In 2006, with Congress' assistance, Interior will help meet energy needs by providing appropriate access for exploration and development of the coastal plain of the Arctic National Wildlife Refuge and portions of the Outer Continental Shelf; expediting permitting and rights-of-way processing; and encouraging development and use of clean, renewable energy.

Interior's 2006 budget provides \$530 million for energy programs through annual appropriations and user fees, an increase of \$22 million.

The budget assumes enactment of legislation to open a portion of the coastal plain in the ANWR to oil and gas exploration and development, with the first lease sale planned for 2007. The U.S. Geological Survey estimates that a mean expected volume of 10.4 billion barrels of technically recoverable oil can be expected if Congress lifts the ban on development in ANWR. At peak production, daily production from this area could be larger than the current daily onshore oil production of Texas.

The budget assumes the first ANWR lease sale would produce an estimated \$2.4 billion in bonus bids in 2007, the same estimate we have used for several years. It is based on conservative assumptions. The Congressional Budget Office recently estimated the first lease sale would produce bonus bids of \$4 billion.

ANWR exploration and development would occur within a 1.5 million-acre area of the 19 million-acre refuge. Actual energy development would occur on no more than 2,000 acres, or one-hundredth of one percent of the refuge. Through increased knowledge, experience, and technological advances, the footprint of energy development will be dramatically reduced from older development sites on the North Slope. For example, use of seasonal ice pads for exploration will limit site disturbance, and extended-reach drilling will reduce the number of sites by allowing development of over 50 square miles of subsurface resources from one single point on the surface.

The budget includes \$1.6 billion for resource use to better meet the increasing demands for water resources, to carry out the National Energy Policy, and to maintain appropriate access to other resources on public lands. Key initiatives include:

*Minerals Management Service.*—The 2006 budget proposes \$290 million for MMS, a \$12.6 million increase over 2005. This total includes a request for \$167.4 million in annual appropriations and \$122.7 million in offsetting collections. The proposed budget will enhance services and programs that protect the environment and off-shore workers. It will also enhance methods to collect, account for, and disburse revenue from Federal and American Indian lands. The \$12.6 million net increase compared to 2005 includes a \$19.0 million increase in offsetting collections and a \$6.4 million decrease in annual appropriations.

*BLM Oil and Gas Processing.*—The 2006 budget will increase the Bureau of Land Management energy and minerals program from an estimated 2005 funding level of \$108.5 million in appropriations and user fees to a 2006 funding level of approximately \$117.6 million. This net increase will enable BLM to accelerate the processing time for applications-for-permits-to-drill and reduce the permit application backlog pending for over 60 days from 1,681 to 120 by the end of 2006.

## RESOURCE PROTECTION

The 2006 budget calls for \$2.6 billion for resource protection programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources. In August 2004, President Bush signed an Executive Order on Cooperative Conservation requesting that agencies strengthen efforts to work cooperatively with States, Tribes, local governments, and others to achieve conservation goals.

Over the past four years, the Interior Department has encouraged cooperative conservation through various grant programs, administrative actions, and policies. These efforts emphasize innovation, local action, and private stewardship. They achieve conservation goals while maintaining private and local land ownership. They foster species protection through land management and cooperative, on-the-ground habitat improvements, complementing traditional funding of ESA regulatory programs.

Key initiatives in resource protection include:

*Cooperative Conservation Programs.*—Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and to benefit America's national parks, wildlife refuges, and other public lands. The 2006 budget includes \$381.3 million for the Department's cooperative conservation pro-

grams. These programs leverage limited Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative efforts to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

Our budget proposes funding for the Landowner Incentive and Private Stewardship programs at a total of \$50.0 million, an increase of \$21.4 million from 2005. Through these programs, our agencies work with States, Tribes, communities, and landowners to provide incentives to conserve sensitive habitats in concert with traditional land management practices such as farming and ranching, thus maintaining the social and economic fabric of local communities.

Our budget proposes to fund challenge cost-share programs in BLM, FWS and NPS at \$44.8 million. These cost-share programs better enable Interior's land management agencies to work together and with adjacent communities, landowners, and other citizens to achieve common conservation goals. The 2006 proposal represents an increase of \$25.7 million.

The challenge cost-share program includes \$21.5 million for projects that are targeted to natural resource conservation. In 2004, the Congress provided \$21.2 million for these cost-share grants. Leveraged with matching funds this provided a total of \$52 million for on-the-ground projects including more than \$19 million for projects to eradicate and control invasives and weeds.

For example, in New Mexico, the Bosque del Apache refuge is working with the local community to restore riparian habitat along the Rio Grande River by eliminating tamarisk on over 1,100 acres.

We also propose level or increased funding for a suite of other FWS cooperative programs: the Partners for Fish and Wildlife program, the Coastal program, the Migratory Bird Joint Ventures program, the North American Wetlands Conservation Fund, the State and Tribal Wildlife grants program, and the Cooperative Endangered Species Conservation Fund. These programs support a cooperative approach to conservation that emphasizes voluntary partnerships with private landowners, local governments, Tribes, and community organizations.

*Sustaining Biological Communities.*—Targeted increases in FWS and BLM will focus new resources on the recovery of endangered, threatened, and at-risk species and increase interagency efforts to curtail harmful invasive species. We propose a programmatic increase of \$1.9 million for general activities in the Fish and Wildlife Service ESA recovery program and \$7.0 million in BLM to strengthen and expand efforts to conserve and restore sagebrush habitat to maintain sage-grouse populations. An increase of \$2.3 million in FWS, BLM, and USGS will support invasive species work on an eco-regional basis.

*Klamath River Basin.*—The 2006 budget commits \$62.9 million toward finding long-term solutions to water issues in the Klamath Basin and proposes an 8.4 percent increase for Interior Department programs in the basin. In the short-term, water-supply shortages will continue to present challenges. As of mid-February, the snow pack in the upper Klamath River basin was 47 percent below average. With depleted groundwater supplies and expected continued drought conditions, the risks to endangered and threatened fish in the basin persist. We also anticipate impacts to the people and communities dependent on the river, including upper basin irrigators and downstream Indian and commercial fishermen.

The Bureau of Reclamation is currently putting together a water bank of over 100,000 acre-feet to help meet water needs this calendar year for coho salmon. Efforts are also underway to recover listed species and improve conditions by restoring the water-retention capability of the riparian and adjacent habitat. The budget request includes \$7.5 million for the FWS Partners for Fish and Wildlife program for these efforts; \$6.0 million for land acquisition to acquire the Barnes Tract, which will provide nursery and other habitat for the endangered fish and increase water in Upper Klamath Lake in most years; and \$1.2 million to fund pumping necessitated by the removal of Chiloquin Dam, which will improve fish migration and spawning. To move this project forward, a reprogramming letter proposing to construct the replacement water system for Chiloquin Dam will be submitted to the Subcommittee soon.

Finally, the budget request includes \$500,000 for a FWS prototype program to acquire and transfer water rights to the wetlands in the Klamath Basin refuges. These key wetlands on the Pacific Flyway depend entirely on return flows from the Klamath Irrigation Project. The wetlands need a reliable source of clean water as a hedge against droughts and to provide a base amount of water to which the return flows can be added.

*Everglades Restoration.*—Within the 2006 request for NPS construction is \$25 million for the Modified Water Deliveries Project, a key to restoring natural flows in

the Everglades. Under a new agreement between the Department and the Corps of Engineers, the cost to complete the project will be shared by NPS and the Corps. The 2006 budget for the Corps includes \$35.0 million for the Mod Water project. Over the period 2007 to 2009, the Corps will contribute an estimated additional \$88.0 million and the NPS an additional \$41.0 million. The 2006 NPS contribution consists of \$8.0 million in new funding and \$17.0 million redirected from unobligated balances for Everglades land acquisition not currently needed for high-priority acquisitions.

*Abandoned Mine Lands.*—Today, more than 3 million Americans live less than 1 mile from dangerous abandoned coalmines. Consistent with the Administration's 2005 reauthorization proposal for the 1977 Surface Mining Control and Reclamation Act, the 2006 budget supports the Administration's vision to reauthorize the AML program. The Administration's approach would remove risk to 140,000 people annually.

Our budget provides \$147.5 million in AML grants to expedite clean up of high-priority sites and another \$58.0 million in AML grants to fairly address long-standing commitments to States and Tribes that have already achieved their reclamation goals. Under the funding formulas in the 1977 Act, AML funding is increasingly directed to States with significant coal production, but few, if any, abandoned mines. The Administration's approach would direct new AML funding to reclaim unhealthy and unsafe abandoned mines and provide to States that have already completed mine reclamation repayment of their statutory share of AML fees collected under the 1977 law.

#### RECREATION AND HISTORIC PRESERVATION

Lands and waters managed by Interior offer unparalleled outdoor recreational opportunities. The bureaus of Land Management, Reclamation, Fish and Wildlife Service, and the National Park Service manage an inspiring and diverse collection of natural wonders. For example, in 2003 our National Wildlife Refuges attracted 2.2 million hunting visits and 6.6 million fishing visits. The FWS looks for opportunities to add new or expand existing public hunting and fishing programs. There are currently 308 national wildlife refuges that are open to hunting and 270 refuges that are open to sport fishing.

Overall, the budget includes \$1.3 billion in investments for recreation programs that will improve visitor services and access to recreation opportunities.

This total includes an increase of \$33 million to respond to growing demands for recreational activities on public lands, to provide a safer environment for refuge visitors, and to ensure continuous enhancements to visitor services at parks. In addition, the budget provides \$82 million in the operating accounts of BLM, FWS, and NPS to cover increased pay and other fixed costs and maintain existing performance and service levels to the public.

*The Federal Lands Enhancement Recreation Act.*—Passed by the 108th Congress and signed into law by the President on December 8, 2004, the Federal Lands Recreation Enhancement Act will enable Interior land management agencies to improve recreation and visitor amenities on public lands. The Act provides a 10-year extension of the recreation fee program piloted with the Recreation Fee Demonstration program. The Act establishes important parameters for the program to ensure that fees are charged only in appropriate locations and revenues are appropriately spent on infrastructure and services that directly benefit the public.

The Department is working closely with the U.S. Department of Agriculture on key implementation issues, such as development of long-term, multi-agency fee guidance, and the creation of the new "America the Beautiful Pass," which will cover entrance and standard amenity fees for the five agencies authorized under the Act. The Departments are committed to creating a dynamic program responsive to the public and Congress during the implementation process.

In 2006, the Department will continue to transition from the Recreational Demonstration Program to the provisions of the new Act. Working with the Congress, the Department has established a set of principles to guide the program during the transition period. Specifically:

- No new fee areas will be created.
- Agencies will conduct an interim evaluation of existing fee sites based on the new criteria and prohibitions.
- The Golden Eagle, Golden Age, and Golden Access Passes, and the National Park Pass will continue to be sold until the America the Beautiful Pass is available.

- Existing Golden Eagle, Golden Age, and Golden Access passes and National Park passes will be “grandfathered in” under their existing benefits and will remain valid until expired.
- Specific site, forest and regional passes, such as southern California’s Forest Service Adventure Pass, will continue to be available.

The Act includes criteria and directions that address issues raised by the public and members of Congress regarding recreation fees. For example, the Act prohibits fees for BLM and the Forest Service for general access to national forests and grasslands, access to overlooks and scenic pullouts, and areas with low or no expenditures for facilities or services. The use of Recreation Resource Advisory Committees required by the Act will ensure public input on decisions about expanding the fee program by providing the public and local communities an opportunity to make recommendations to the BLM or the Forest Service on specific recreation fee sites and fees. Public notice and participation provisions will guide the Department’s efforts to conduct a program that is accountable and transparent. Under the Act, the vast majority of recreation sites will continue to be free.

*Park Maintenance Backlog.*—Through President Bush’s commitment to address the maintenance backlog in parks, over the past four years more than 4,000 projects were undertaken to maintain, repair or replace park facilities. The 2006 budget includes \$716.6 million for construction and park facility maintenance, an increase of \$29.0 million. Included within the increase are an additional \$22.2 million for NPS construction and \$3.4 million in the repair and rehabilitation program to repair high-priority historic buildings. Including funds in the President’s proposal for reauthorization of the Transportation Equity Act for the 21st Century, total NPS deferred maintenance funding will exceed \$1.1 billion in 2006. The 2006 request will bring funding for park maintenance over five years to \$4.9 billion, as pledged by then-Governor Bush in 2000.

*Preserving Cultural Landscapes.*—More and more Americans are visiting historic and cultural sites across the Nation. In 2002, 81 percent of adults in the United States included at least one cultural, historic, or heritage activity in their vacation plans. Linking historic preservation to educational and economic opportunities ensures sustained commitment to those places that bring alive our nation’s cultures and history.

Through its Preserve America initiative, the Administration is recognizing and encouraging heritage tourism as a significant economic development and educational activity. Over 220 localities have been designated Preserve America Communities, serving as a focus for civic pride and a catalyst for preservation. The Administration proposes \$12.5 million in competitive grants to encourage community preservation of our cultural, historic, and natural heritage through education and heritage tourism.

Overall, the budget proposes \$66.2 million for the Historic Preservation Fund, which includes funding for Preserve America, as well as \$15.0 million for Save America’s Treasures, and \$38.7 million for grants to States and Tribes. The budget includes an additional \$5.0 million for National Heritage Areas.

#### SERVING COMMUNITIES

With its broad-ranging responsibilities, Interior’s activities touch the lives of all Americans. For example:

- Interior’s U.S. Geological Survey, the nation’s premier earth sciences agency, generates scientific information that helps inform decisions about land and water management. Its hazards monitoring helps reduce risks to communities associated with earthquakes, tsunamis, floods, mudslides, and volcanoes.
- Through performing its responsibilities to Native Americans, Alaska natives, and other communities, Interior helps educate children and enhance the economic well being of these communities.
- Interior’s implementation of the President’s Healthy Forests Initiative and the Healthy Forests Restoration Act is enhancing forest and rangeland health and reducing risks to communities from catastrophic fires.

Interior’s budget includes \$5.1 billion to serve communities by improving Indian trust management and services to Tribes and individual Indians; providing resources for Indian education and other social services, advancing the Healthy Forests Initiative and related wildland fire activities; strengthening law enforcement; and enhancing scientific and hazards warning information for our agencies and the public. Key initiatives include:

*Trust Programs.*—The budget provides \$591.4 million to continue the Department’s ongoing efforts to reform management of its fiduciary obligations to Tribes and individual Indians, to continue historical accounting efforts for trust funds, and



to reduce the exponentially growing costs of maintaining fractionated interests of Indian lands. Within this total, the President's budget proposes to increase funding for historical accounting from \$57.2 million to \$135.0 million. An increase of \$9.6 million would strengthen efforts to address the current backlog of unresolved probate cases.

On February 23, the *Cobell* court issued an order reinstating the historic accounting structural injunction previously issued on September 23, 2003, directing the Department to conduct a far more expansive accounting and requiring that it be completed under even more constrained time lines than the Department had planned. Preliminary estimates developed by the Department estimate the costs to comply with the order at between \$10 to \$12 billion. The new injunction requires extensive work beyond what is currently budgeted in 2005 or proposed in 2006 to be completed by January 6, 2006. In addition to the completion of accounting for all judgment and per capita accounts back to 1887 and the completion of the accounting for all transactions in land-based accounts back to 1985, the court order directs the indexing of all trust-related records located at federal facilities in Albuquerque, New Mexico, and Lee's Summit, Missouri, the collection of all relevant trust records held by third parties, the systems tests related to electronic data gaps, and the systems conversion from the Integrated Records Management System to the Trust Funds Accounting System. The Department's budget for 2005 or 2006 is not constructed to address these requirements. The Department is in continuing discussion with the Department of Justice on the course of action available to the Department.

*BIA Detention Centers.*—The budget includes increases of \$16.7 million for detention centers in Indian country. Of the total, \$7.3 million will support detention operations at four new centers currently under construction with Department of Justice funding and for facility operations and maintenance at 19 detention centers built with DOJ grants since 2001. The balance of the increase addresses substandard facility conditions in older BIA detention facilities highlighted in a recent report by Interior's Inspector General. The budget for detention center improvement and repair will nearly double, with an additional \$4.4 million. An increase of \$5.0 million will support contracts to place arrested and convicted persons in non-BIA detention facilities that meet national standards when adequate BIA facilities are unavailable.

*Indian Education.*—To complement BIA efforts to implement the No Child Left Behind Act, the 2006 budget proposes \$2.0 million to pilot leadership academies at four BIA schools. Leadership academies in public school systems have been successful in raising the academic performance of school children and motivating them to continue their education.

To continue improving facility conditions at BIA schools, the budget includes \$173.9 million for education construction. This amount will fund replacement of the Porcupine Day School in South Dakota and the first replacement phase of the Crownpoint Community School in New Mexico. It will also fund four major facilities improvement and repair projects. In order to allow focus on the 34 school replacement projects funded in prior years that are in design phases or under construction, the education construction budget reflects a reduction of \$89.5 million from 2005.

*Healthy Forests.*—The 2006 budget supports the President's Healthy Forests Initiative with a \$211.2 million budget for hazardous fuels reduction in the wildland fire program, a net increase of \$9.8 million over the 2005 enacted level. The hazardous fuels budget includes a program increase of \$10.3 million for fuels projects, partially offset by a scheduled \$2.5 million reduction in funding for development of the LANDFIRE vegetative mapping and imaging system.

Funding in the wildland fire program, together with funds for forest and range improvement in the land management agencies and the Bureau of Indian Affairs, will provide approximately \$313.0 million in 2006 to reduce the build-up of hazardous fuels in the Nation's forests and rangelands, reduce the risk of catastrophic fire to communities, protect threatened and endangered species, and support other activities under the Healthy Forest Restoration Act of 2003.

*Wildland Fire.*—In addition to funding additional hazardous fuels reduction projects, the 2006 wildland fire budget includes increases of \$15.7 million to fund suppression operations at the 10-year average and \$5.0 million to maintain the 2004 aviation fleet reconfiguration. In total, the 2006 budget for wildland fire management is \$756.6 million, a net increase of \$23.9 million over 2005, not including \$98.6 million in 2005 contingent emergency funding.

*Rural Fire Assistance.*—The 2006 budget for Wildland Fire continues partnerships with local fire departments, proposing an increase in the Preparedness program to provide advance training to local fire fighters to help build a ready reserve of local firefighters that can support extended attack and thereby improve the effectiveness of Federal cooperation with local firefighting agencies. Rural fire assistance grants, which provided funds to local fire departments for equipment and basic training, are

eliminated as a separate funding source in anticipation that equipment and training needs of local fire departments will be met through the much larger Forest Service and FEMA fire assistance programs.

*Tsunami Warning System.*—As part of a \$37.5 million, two-year commitment by the Administration to expand U.S. tsunami detection and monitoring capabilities, the 2006 budget includes \$5.4 million for USGS facilities and operations to provide more robust detection and notification of earthquakes that could trigger tsunamis. The President has submitted a 2005 budget supplemental request proposing \$8.1 million for USGS to begin work on these enhancements. The balance of the funding for the tsunami warning system is in the National Oceanic and Atmospheric Administration's budget.

*Landsat.*—The 2006 budget requests \$7.5 million for USGS to begin work on an upgraded ground-processing system to acquire, process, archive, and distribute data from a new generation of satellite-based land image sensors. The first of two Landsat Data Continuity Mission sensors will be flown on a NOAA polar orbiting satellite scheduled for operation in 2009. To continue the 30-year unbroken record of data on the Earth's continental surface collected by the Landsat program, the budget also contains a \$12 million increase to support continued operation of the Landsat 7 satellite in 2006 and to repay a planned reprogramming for 2005 Landsat 7 operations. Although Landsat 7 data remain valuable and usable, revenue from commercial sale of the data that normally supports the Landsat program has sharply decreased as a result of the failure of the satellite's scan line corrector.

*Payments in Lieu of Taxes.*—PILT payments are made to local governments in lieu of tax payments on Federal lands within their boundaries and to supplement other Federal land receipts shared with local governments. The 2006 budget proposes \$200.0 million for these payments. The 2006 request is 60 to 97 percent higher than the PILT payments during the 1990s, but is a reduction of \$26.8 million from the record high 2005 payment level.

#### PROGRAM TERMINATIONS AND REDUCTIONS

As part of the President's effort to halve the budget deficit by 2009, the 2006 budget for the Department makes difficult choices to terminate or reduce funding for programs that are less central to the Department's core missions, have ambiguous goals, duplicate activities of other agencies, or require a lower level of effort because key goals have been achieved. Terminations and reductions include lower priority and one-time earmarks enacted in 2005. Other terminations and reductions include:

*LWCF State Grants.*—The 2006 budget terminates funding for Land and Water Conservation Fund State grants, a reduction of \$89.6 million from the 2005 level. LWCF State grants support State and local parks that have alternate sources of funding through State revenues and bonds. As the nation strives to trim the Federal deficit, focusing on core Federal agency responsibilities is imperative. A 2003 PART review found the program could not adequately measure performance. The 2006 budget continues funding for the administrative portion of the grant program at \$1.6 million, which will be used to review the accountability and performance of grants provided in previous years.

*Jobs-in-the-Woods.*—The budget proposes to discontinue BLM's Jobs-in-the-Woods program, which was created in the early 1990s as a temporary program to assist displaced timber workers in the Pacific Northwest by offering resource-based job opportunities to improve water quality and restore Oregon's coastal salmon populations. As most workers have transitioned and timber sales are increasing, the budget proposes to focus resources on programmatic priorities, including offering the full allowable sale quantity under the Northwest Forest Plan and supporting the Plan's requirement that late-succession reserves be managed to stimulate old growth characteristics.

*USGS Minerals Resources Program.*—The budget reduces funding for the USGS Minerals Resources program by \$28.5 million. The budget continues funding for minerals surveys and studies relevant to ongoing Federal energy, land management, regulatory, and remediation activities. Funding is reduced for studies and information gathering for regional and local activities more oriented to the interests of States, local governments, and universities, all of whom are significant users of information generated by the Minerals Resources program.

*Johnson-O'Malley.*—The budget includes a reduction of \$8.8 million for the Johnson-O'Malley grant program. These grants for Indian children attending public schools do not currently address a focused goal for academic achievement and duplicate similar funding made available by the Department of Education. The budget

provides \$7.8 million for grants to continue the highest-priority components of this program.

*NPS Statutory and Contractual Aid.*—The budget does not continue funding for \$11.2 million in Statutory and Contractual Aid activities that are secondary to the primary mission of the National Park Service.

#### MANDATORY PROPOSALS

Accompanying the 2006 budget are several legislative proposals that affect receipt or spending levels in 2006 or in future years. These proposals, which will be transmitted separately from the budget for consideration by the Congress, include:

*Southern Nevada Public Lands Management Act.*—The budget proposes to amend the Southern Nevada Public Land Management Act of 1998 to return 70 percent of the receipts from land sales under the Act to the Treasury, where receipts from land sales have historically been deposited. The Act, as amended by Public Law 107–282, authorizes the disposal through sale of approximately 49,000 acres of federal land in Clark County, Nevada. Five percent of the proceeds are provided to the State of Nevada for use in the State's general education program and 10 percent are provided to the Southern Nevada Water Authority for water treatment and transmission facility infrastructure in Clark County. The remaining 85 percent of funds are deposited in a special account to acquire environmentally sensitive lands in Nevada; make capital improvements to areas administered by NPS, FWS and BLM in Clark County; develop a multi-species habitat plan for Clark County; develop parks, trails and natural areas and implement other conservation initiatives in the county; and reimburse BLM for costs incurred in arranging sales and exchanges under the Act.

The receipts generated by these land sales so far have been nearly eight times higher than anticipated, with future revenue projections of almost \$1 billion per year. When SNPLMA was originally passed, proceeds from land sales under the bill were estimated at roughly \$70 million per year. Sale proceeds were \$530.5 million in 2004 and are estimated to be \$1.2 billion in 2005.

When the law was enacted, there was general agreement that a substantial portion of the revenues generated would be spent to acquire and conserve other lands around Nevada. However, as land sale receipts under the Act have increased in the last few years, the available funding has outpaced land acquisition needs. These funds are increasingly being dedicated to local projects—and many more projects than originally anticipated are being formulated without the accountability of further consideration by the Congress.

The budget proposes that, beginning in 2006, 70 percent of all revenues from these lands sales would be returned to the Treasury, with the percent of receipts deposited in the special account set at 15 percent. The amount of revenue currently provided to the State and to the water and airport authorities would not change. Total combined revenues retained in the State would total 30 percent, with revenues for 2006 for these purposes projected at \$292.3 million, an amount four times larger than original projections in 1998 at time of enactment of the legislation.

*BLM Range Improvement.*—The budget for BLM proposes to discontinue mandatory appropriations from the Range Improvement Fund totaling \$10.0 million annually. Instead, revenues will be deposited to the Treasury. To address rangeland improvement needs, the discretionary budget request for BLM includes \$6.0 million to focus on projects to improve rangeland health conditions, such as weed control, essentially replacing funding provided through the Fund. These projects are part of the Department's cooperative conservation request and will be matched by partners. Other operational increases for BLM, including \$7.0 million for sagebrush habitat and sage grouse protection and \$1.3 million for invasive weed control, will also support rangeland improvement goals.

#### MANAGEMENT EXCELLENCE

As public demands for Interior services increase—from Indian children who need schools to visitors who seek more outdoor recreational opportunities on our public lands—Interior must continue to enhance service and spend dollars wisely. Behind all our programs, out of the limelight, rests a management foundation through which we strive to improve program efficiency and effectiveness. The Departments and its bureaus continue to implement performance improvements.

Our 2006 budget includes investments in tools to enable our employees to do their jobs more efficiently and generate cost savings by implementing standardized systems.

The Department currently uses 26 different financial management systems and over 100 different property systems. Employees must enter procurement trans-

actions multiple times in different systems so that the data are captured in real property inventories, financial systems, and acquisition systems. This fractured approach is both costly and burdensome to manage. We have underway an integration of our financial and business management systems to streamline and modernize basic administrative activities.

Our budget proposes an increase of \$9.5 million to support continued implementation of the Financial and Business Management System that will integrate financial management, procurement, property management and other systems. Through this effort, we will reengineer administrative processes throughout the Department. As the new system becomes fully operational, we will retire over 80 legacy systems and replace their functions with standardized business processes within the new, integrated system. In 2006, the National Park Service and Fish and Wildlife Service are scheduled to transition to the new system.

The 2006 budget includes a \$7.0 million increase for continued implementation of the Enterprise Services Network. The network leverages the existing BIA Trustnet, expanding it Department-wide, to provide secure, state-of-the-art internet and intranet connections and a fully functional operational center for data communications. In addition to providing better services for many Interior offices, the system will provide a uniformly secure environment, standardized and efficient 24-hour/7-day operations, and improved technical support.

#### CONCLUSION

The budget plays a key role in advancing our vision of healthy lands, thriving communities, and dynamic economies. Behind these numbers lie people, places, and partnerships. Our goals become reality through the energy and creativity efforts of our employees, volunteers, and partners. They provide the foundation for achieving the goals highlighted in our 2006 budget.

This concludes my overview of the 2006 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator BURNS. Thank you, Madam Secretary. Now we have been joined by the chairman of the full committee. Senator Cochran, do you have any statement or anything that you want to add to this illustrious group?

#### STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Thank you, Mr. Chairman. I am pleased to join you this morning and greet the Secretary of Interior, commending her for her strong leadership at the Department and congratulating her for her continued service as Secretary. We appreciate your willingness to do this very difficult but important job.

I look forward to hearing more about the budget request and also any requests that you want to tell us about in connection with the supplemental request that is coming up. I understand there may be supplemental funds in the 2005 year needed by the Department of the Interior, and since that is coming up pretty soon, I would like to know what the specifics are about that request.

Senator BURNS. Thank you, Mr. Chairman.

We have been joined by Senator Feinstein, a valuable member of this panel, and we welcome you this morning.

#### STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I have a number of questions. I will hold for my turn, but I just wanted to say two things.

The first is I want to thank the Secretary for her help with CALFED and particularly Jason Peltier. I want to thank him for his help and Bennett for his help as well. It is very much appreciated. Thanks to members of this committee and other places, we

got the bill through both houses and signed. I am really quite delighted. So thank you.

I also want to welcome Lynn Scarlett and I want her to know because she is soon to be Deputy Secretary, that I would have introduced you yesterday if I could have. You are from a great city in my State, and I certainly want to welcome you and look forward to working with you.

Those are my comments. Thank you, Mr. Chairman.

Senator BURNS. Thank you.

We will probably never make it through all these questions.

Secretary NORTON. I think I am glad to hear that.

Senator BURNS. By the time we do that, we will all be vested if you just walked into the Congress, I will tell you this.

#### WILD HORSE AND BURRO PROGRAM

But there is something that has been sort of my topic here and the source of many of my phone calls is the Wild Horse and Burro program. As you know, we have grappled with this program many, many years. I know there were a lot of people who had their reservations about this. Could you update us on the sale program? Because I understand you have been through one now, I think, maybe more. You might update us.

The Department has taken great steps and has worked very hard that these horses be sold under the right circumstances and for the right reasons. Could you bring us up to date on what is happening in that particular program?

Secretary NORTON. Mr. Chairman, we have been working hard with the Wild Horse and Burro program to find creative ways to address our wild horse population. Obviously, we have the horses that are on the range and we are looking at things like birth control for those, as well as trying to keep to appropriate management levels.

For those that are in our adoption program or long-term care, we are doing things like, for example, working with Indian tribes to see if some of those would be interested in having some horses for their lands. We are working with ranchers. There was one that recently, it is my understanding, took about 200 wild horses with the idea of working on further adoptions through his own initiative.

We believe that there are people who would be interested in horses both in expanded attempts to try and get the young horses for gentling; as well as some people that just have open lands and would be happy to welcome these horses.

We are working with some additional flexibility we have, because of your actions, to see that the horses go to good locations. We do recognize the sale authority that you have provided. Our activities right now are focusing on trying to find creative ways to avoid having those horses be in long-term Federal care, which is very expensive.

Senator BURNS. Well, it was my intention all along. I think America's imagination will get these horses taken care of. This old business of everybody thought they would all go to slaughter was crazy. I know better than that. Those people who would proclaim that know very little about the livestock business, to be right honest with you.

## RECREATION FEE PROGRAM

Recreation Fee program. Let us shift gears here a little bit. Last year in the omnibus appropriation bill, the Congress extended the Recreation Fee program on a long-term basis. I fought this move along with other members of the subcommittee because I believe authorizing committees of jurisdiction were the appropriate bodies to deal with this legislation, but we did not prevail.

You are aware, Madam Secretary, that there is still some disagreement out in the land about whether these fees are appropriate, on what activities they should be collected, and how the collection should be spent.

Are there things in last year's authorizing bill that will help address some of these concerns, and how will the new program be different than the fee program that has existed for the past several years?

Secretary NORTON. We certainly, Mr. Chairman, did recognize the concerns that were raised by a number of people about fees being charged in inappropriate places or having fees be used for things that were not really providing the visitor services that we need. We learned from the demonstration project what things work and what things do not.

In the new authorizing legislation, there are specific requirements about what kinds of facilities need to be provided to people to justify the charging of fees. I know we are going through our specific areas to make sure that they are in compliance with the new legislation. I understand the Forest Service is also going through that exercise.

In addition to that, the legislation establishes recreation resource advisory councils so that we have members of the public reviewing any new fees being charged in new areas and providing us direct feedback on whether those were a good ideas or not. We would have to report if we wanted to charge a fee despite the recommendation of that advisory committee.

This is a work in progress and we understand that public support for fees can be very good if people feel like they are getting their money's worth. It is very, very rare for this to happen, I think anywhere in life for people to say you ought to charge more. But I have had people stand up in public meetings that we have done and say, "you do not charge enough for your public lands. I pay a whole lot more for any other form of recreation for my family than when going to visit a national park."

We want to be sure, though, when we do that, to see that the fees are being used for appropriate activities and to demonstrate to people that they are being used appropriately. We want to continue working with you, with Members of Congress that might have complaints on a local level about fees to see that we are carrying forward this very important management tool in a responsible way.

Senator BURNS. Well, I thank you. I will just answer, not as a Senator but as an auctioneer, take the money.

For those who want to give more, let them spend more.

## BLACKFOOT CHALLENGE

I will have one more question, and this is really important in my State. This is probably one of the largest actions that I have had the privilege of working on. The Blackfoot River watershed is an extraordinary place up in Montana. If you have not been there, I would certainly invite you, along with Ms. Scarlett, to join me up there this summer.

The great strength of this valley is its community of citizen stewards led by the Blackfoot Challenge. It exemplifies the spirit of cooperation and conservation that you, the President, and I are working to encourage and we support. We have been working hard to help the challenge achieve its goal of conserving this remarkable place and the community that lives there. I have been pleased the President requested funding to support this community-led initiative in both the 2005 and 2006 Forest Service budget.

I am concerned, however, that your Department has not been supportive of this project as it should have been, despite the participation of the local BLM and Fish and Wildlife officials from the get-go. Can you explain to me why the Department has yet to recognize the conservation opportunities that the local community, the Forest Service, and the Congress have clearly recognized? I am particularly concerned that the BLM, an agency whose mission I strongly support, has not been acting in support of this project?

Secretary NORTON. I would be happy to look into that. It sounds like an ideal project for many of our cooperative conservation grants. So there may be some opportunities for them to apply for competitive grants.

[The information follows:]

## BLACKFOOT CHALLENGE

Secretary NORTON. The Blackfoot River Watershed Land and Water Conservation Fund LWCF project is part of a multi-phase land acquisition project. In order to implement the project, BLM is conducting appraisals, land use planning, and environmental clearances for the project. During fiscal year 2004, the Bureau carried over \$2.9 million in funding appropriated for the project. The Phase I Acquisition was completed in February 2005 with the acquisition of 2,500 acres. During fiscal year 2005, an additional \$4.9 million was appropriated for the purchase of approximately 4,000 acres. The BLM will complete the appraisal on the Phase II Acquisition by the end of fiscal year 2005, and has completed the appraisal on the Phase III Acquisition.

Secretary NORTON. Also, the Bureau of Land Management, the Fish and Wildlife Service, and National Park Service have challenge grant programs that are essentially available to our managers to apply for assistance to help fund projects that are working in cooperation with local communities. We very strongly support that type of multi-agency, public/private, Federal, State, local kind of approach, and our grant programs are really designed to encourage and facilitate those activities.

Senator BURNS. Well, as you know, this was a homegrown agreement and it has got a lot of moving parts to it. There is no doubt about that.

## CONSERVATION EASEMENT PROGRAMS

Last fall your Fish and Wildlife Service Director, Steve Williams, announced the start of planning for the conservation easement pro-

grams to protect working landscapes and natural resources along the Rocky Mountain front and also in this particular place. I hope this program will be a fine example of cooperative conservation by ranchers, conservationists, and the Service.

When do you expect this long-delayed planning effort to be completed? Do you have any idea?

Secretary NORTON. I am sorry. We do not have that information with us, but we will be happy to provide it.

[The information follows:]

#### PROPOSED ROCKY MOUNTAIN FRONT CONSERVATION EASEMENT PROGRAM

The U.S. Fish and Wildlife Service proposed to expand its existing conservation easement program to include a new project area along the Rocky Mountain Front, in north-central Montana. The proposed Rocky Mountain Front Conservation Easement Program would authorize the Service to use Land and Water Conservation Fund monies to purchase easements from willing sellers on up to 170,000 acres of private land. The goal of the Program is to work proactively with private landowners to protect important habitat and maintain connectivity between core blocks ("biological anchors") of public and private conservation lands.

The Program would not authorize any fee title acquisition. A local landowner advisory council, consisting of ranchers, business owners and government officials from Lewis & Clark, Teton, and Pondera Counties, strongly support a conservation easement approach as a means of conserving the historic ranching heritage on the Front.

The Front is a high-priority conservation area for the Service and its partners in the conservation community, including the State of Montana, the Boone and Crockett Club, and The Nature Conservancy, because it is the only remaining landscape in the Continental United States with a complete, intact and functional assemblage of large mammalian carnivores, including the grizzly bear, gray wolf, wolverine, and lynx.

The Preliminary Project Proposal for the Program was approved by the Service's Mountain-Prairie Regional Office in April, 2002 and forwarded to the Director's office for approval. The Director approved the PPP in October, 2004. This approval provided the Service's Regional Office with the authority to proceed with detailed planning to consider the establishment of the easement program. Since October, the regional planning team has met with the Montana Congressional delegation, conservation and sportsmen's groups, federal agencies, state and local governments, tribes, and various local business interests. The team has also held three public scoping meetings at various locations near the project area.

The Regional Office is currently developing an Environmental Assessment, pursuant to the National Environmental Policy Act, to analyze the effects of establishing an easement program on the Front. The Region's goal is to complete the EA in the Spring of 2005. Per current Service policy, the EA, FONSI and associated documents will then be submitted to the Director for his concurrence.

Senator BURNS. Oh, good. That is that big packet that is going to show up on your doorstep.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

#### TRIBAL COLLEGES

Madam Secretary, let me ask, as you might expect me to ask, about tribal colleges. As I indicated, the proposed cut in funding for tribal colleges really will wipe out the 2 years of progress that Senator Burns and I and other Members of the Congress have made on tribal college funding. Can you describe why these cuts are being proposed?

Secretary NORTON. We have had to make some tough choices, as we have looked through our Department for ways to handle our Indian trust responsibilities, as well as to meet the overall needs with a tight budget. What we have done is to look to other Depart-



ments, in part, and the cooperation that we can do with other Departments to see how those issues can be addressed.

Since 1996, the student count at tribal community colleges has increased by 41 percent. At the same time, our funding will have increased by 61 percent through the 2006 budget. The President's budget provides about \$9,500 per student at tribally controlled universities, funded by the BIA and the Department of Education, and the average community college receives about \$6,600 in revenue from all sources.

We are working, first of all, with the Department of Labor. They have a jobs program that provides about \$250 million to community colleges across the country. We met with them and talked about how we can make sure that the colleges that we are involved with are eligible for that and involved in that. The Assistant Secretary that deals with those programs has agreed to have our Assistant Secretary for Indian Affairs, or the person acting in that capacity, to be on the selection committee as grants are being made for those programs.

We also have talked with the people at United Tribes Technical College to see if there are some opportunities for using their facilities and working together on training that we need for our employees in the Bureau of Indian Affairs and Office of Special Trustee; and to see if there are ways we can work with their graduates because I think they have some skills that we need.

Senator DORGAN. Madam Secretary, I wonder if my staff could work with your staff. We have a very different view of support of these students. You are suggesting the support is nearly double the support of students in community colleges. My figures show it is about 50 percent, half. So there is a very wide disagreement here. I would like my staff to engage with your budget folks and see if we can understand what the facts are there.

Secretary NORTON. I would appreciate that.

[The information follows:]

#### TRIBAL COLLEGE FUNDING

The Department has provided information to the Senator's staff on the per-student funding at tribal colleges. Additional information can be provided upon request.

#### STATESIDE GRANTS PROGRAM

Senator DORGAN. Land and Water Conservation grants. Your budget would eliminate the State-side assistance grants through the LWCF. The Senate budget actually includes slightly over \$1 billion for those same grants, but that is paid for by the ANWR revenues. On the other hand, your recommendation for eliminating the grants, I believe, is saying that that money is more appropriately funded through State revenues or bonding I guess. Is that correct?

Secretary NORTON. Actually a variety of our conservation grants that are funded through the Land and Water Conservation Fund. The State grants are just one aspect of that. We strongly support having various programs that are funded through the Land and Water Conservation Fund that all go toward open space, environmental protection, and so forth.

As to the State assistance grants, there was a study done by the Office of Management and Budget that reviewed that program.

Senator DORGAN. Is this PART?

Secretary NORTON. Yes, it is.

Senator DORGAN. The infamous PART study.

Secretary NORTON. Yes. It is the PART study.

We have been enthusiastic about that program, but as we looked at it more closely, we found that it did not do as good a job in having clearly defined goals and in meeting those goals as some other programs. Our other programs allow us to see that environmental needs are really prioritized. It has allowed us to deal with endangered species such as sage grouse. It has allowed us to restore wetlands, things that are not really captured within that State-side program.

Senator DORGAN. As you know, the PART studies have been very controversial. Would you think maybe we should have a PART study of the Office of Management and Budget?

Secretary NORTON. I will let you all decide that.

#### BIA SCHOOL REPLACEMENT FUNDING

Senator DORGAN. Let me ask about BIA school replacement funding. As you know, that is another situation that many of us care deeply about. 184 schools are operated by the BIA, 48,000 kids. There is a very substantial cut in replacement funding. My understanding is that it is because there are carryover funds, and yet, for example, in the National Park Service there are much greater carryover funds. Yet, their construction funding is actually up when, in fact, BIA school construction funding is cut rather dramatically. Can you describe the reason for that?

Secretary NORTON. Over the last 4 years, we have obtained a total of over \$1.1 billion in funding for construction of Indian schools and have been working to see that those schools are actually constructed. We now have 34 schools that have been funded through our programs. Only nine have been completed. Our focus right now is really working with the tribes on getting the construction completed.

We, nevertheless, are continuing funding at a level that is nearly three times as high as it was in the late 1990's. We are providing very substantial funding for repair work at the schools. It is not quite \$1 million per school on average but it is a very high level of funding. So we are going to be working through time to address this issue and to try to be sure that we continue to work towards better quality schools for our Indian children.

Senator DORGAN. You know, one-third of those schools are defined as in "poor quality." So my concern, Mr. Chairman, is that cutting the construction funding at a time when fully one-third of those schools for young Indian children run by the BIA are poor quality schools. I really think we need to try to continue that funding process.

Well, Madam Secretary, my colleagues I know want to ask questions. Senator McCain and I have a bill over in Commerce that is being marked up, and I need to go over there.

I would like to submit some additional questions. Again, while we might disagree from time to time on some issues, I appreciate

your service to our country, and I hope that you will accept the questions that I will just submit in writing in order to save some time this morning.

Senator BURNS. Thank you, Senator Dorgan.

Senator Leahy.

Senator LEAHY. Thank you very much, Mr. Chairman.

#### ARCTIC NATIONAL WILDLIFE REFUGE LEASE SALES

Secretary Norton, I had mentioned the Budget Committee's language which says that we will get \$2.4 billion in revenues in 2007 from lease sales on the Arctic Refuge. How much will the leases have to sell for to reach that \$2.4 billion?

Secretary NORTON. I do not have that number handy. I assume your calculation is fairly correct.

If I can explain the process that we would go through and also that resource.

Senator LEAHY. And if you might also point out, if they would have to sell for between \$4,000 and \$6,000 per acre, when the average has been around \$50 per acre, why that sudden jump, or is it kind of smoke and mirrors as a way to use the budget resolution as a way to get through ANWR in a way it might not get through otherwise?

Secretary NORTON. The figures you are using for comparison are from the National Petroleum Reserve. There we have an area of 23 million acres that has a resource estimated amount that is smaller than the amount of oil that is predicted to be in the 1.5 million acres of ANWR that would be considered for energy exploration. So, in effect, you have more oil in one-twentieth of the acreage than you have in the National Petroleum Reserve.

Senator LEAHY. Even if you made it 20 times, it still does not get anywhere near the \$4,000 to \$6,000.

Secretary NORTON. Actually we have areas in the National Petroleum Reserve where we have received about \$1,000 an acre.

Senator LEAHY. Here you would have to get \$4,000 to \$6,000, and a number of the companies have pulled out of the industry lobbying firm that is pushing for this drilling. I just wonder how these figures come. I really would like a very clear answer. In doing that, what kind of a split does that assume with Alaska?

Secretary NORTON. First of all, the Congressional Budget Office did its own analysis and their analysis reached a higher number than ours did. My understanding is the split with Alaska would be the 50/50 split that is the arrangement through the Mineral Leasing Act with all of the other States in which—

Senator LEAHY. Governor Murkowski said Alaska will sue the Federal Government if they do not get 90 percent.

Secretary NORTON. I understand that the 90/10 split is a popular position in Alaska, but certainly everything I have heard from the Congress is a 50/50 split.

Senator LEAHY. Would the administration fight Governor Murkowski on that?

Secretary NORTON. Yes. Our understanding is the appropriate approach is a 50/50 split, or whatever Congress designates in the legislation, but that is what we assume it would be.

## FWS FISH HATCHERIES

Senator LEAHY. Well, I am glad to hear you say whatever we designate in the legislation.

It raises another area. I am thinking back at the beginning of the administration, one of the catch phrases your Department used was it put the fish back in the Fish and Wildlife Service, something I certainly agree with and I expect most of us would. I was informed last year that region 5 faced such severe budget shortfalls that the Pittsford Hatchery on the New Hampshire-Vermont border would close. Salmon production at the White River Hatchery in my State would be cut by more than 60 percent. Similar cuts are proposed for other hatcheries in the region. It decimated efforts to restore Atlantic salmon to the Connecticut River.

Now, Chairman Burns and Senator Dorgan put in extra funds, and reprogramming language allowed the Service to avoid these cuts, and I appreciate that. Then the Department ignored congressional direction in the 2005 appropriations bill to increase the base fisheries budget in 2006.

So do we have a commitment to keep these facilities running at the 2005 level, as the appropriations bill had said?

Secretary NORTON. Our overall approach on the fisheries budget has been an increase. There was a \$4 million increase last year, and our budget for 2006 includes an additional increase of \$2.7 million for hatchery operations and maintenance. The reductions in the fisheries program were in congressional earmarks. Offsetting these reductions, we also have significant increases in competitive wildlife grant programs of \$38 million and in partnership cost-share programs of \$37 million.

Senator LEAHY. Does that mean you will or will not ignore the congressional direction in the 2005 appropriations to increase the base fishery budget in 2006?

Secretary NORTON. I believe we have increased the base fisheries budget, and I believe the answer I just gave you is indicative of an increase.

Senator LEAHY. So your commitment is these facilities will keep running at the 2005 level?

Secretary NORTON. I do not have information about specific facilities and how the Fish and Wildlife Service is allocating that.

Senator LEAHY. Would you answer for the record then whether they will be kept at the 2005 level, which is basically what the congressional directive was?

Secretary NORTON. Do we have information about the Vermont facilities?

Mr. TREZISE. Senator Leahy, we will have to submit specific numbers for the record. A portion of the 2006 increase that we have requested has not been allocated to individual hatcheries. It is certainly, though, as I understand it, the intention of the Fish and Wildlife Service to use that increase across the system to maintain hatchery operations at least at the 2005 level.

Senator LEAHY. So they would be kept running at the 2005 level?

Mr. TREZISE. It is my understanding that is the Service's intention, yes.

[The information follows:]

## NEW ENGLAND NATIONAL FISH HATCHERY FUNDING

Final fiscal year 2006 allocations to both Pittsford and White River NFH's will be dependent on actual appropriation amounts received, but assuming the Service receives the same level of base funding in fiscal year 2006 as was received in fiscal year 2005, plus requested pay uncontrollable funding, the Service intends to fund both Pittsford and White River NFH's at the same levels as in fiscal year 2005.

The fiscal year 2006 President's Budget request includes a net increase of \$2.111 million in Hatchery Operations; within this amount, \$44,000 is requested to partially restore the across-the-board rescissions received in the fiscal year 2005 appropriations, and \$2.231 million is requested to implement 34 high priority FONS projects which are identified in the budget request. Offsetting reductions include a technical adjustment to shift \$158,000 to Fish and Wildlife Management Assistance and \$6,000 in expected savings through improved vehicle management. An additional \$796,000 is also requested for pay and uncontrollables. The funds requested to offset the fiscal year 2005 rescissions and for pay and uncontrollables will be used across the system to maintain hatchery operations at the 2005 level to the extent possible. The funds requested to implement the 34 high priority FONS projects will be allocated to the specific stations implementing those projects. Neither Pittsford nor White River National Fish Hatcheries have been identified as receiving any of these funds.

Senator LEAHY. Then we have the potential effects of cuts to the fishery budget at the Lake Champlain management office. One of the things they do is control sea lampreys in the lake, something Vermont and New York have worked on. We have finally turned the corner in controlling the invasive species that is devastating our salmon and lake trout population. Vermont, Governor Pataki, and others have worked hard on this. Governor Douglas in Vermont, Governor Pataki in New York. Can we assure them that the Department will not cut its support for this program?

Mr. TREZISE. Senator Leahy, base funding for the operation of the office is continued in the 2006 budget at the same level as in 2005.

Senator LEAHY. And can you answer specifically for the record whether there will not be cuts in this critical program?

Mr. TREZISE. We will have to answer for the record.

[The information follows:]

## LAKE CHAMPLAIN FISHERIES

The Service is committed to its partnership with New York State Department of Environmental Conservation and Vermont Fish and Wildlife Department in the Lake Champlain Fish and Wildlife Management Cooperative, which manages the fish and wildlife resources of Lake Champlain. Sea lamprey management is central to the Cooperative's long-term effort to restore native species and improve recreational fisheries worth an estimated \$200 million annually.

The Service and its State partners implement a multifaceted approach to controlling parasitic sea lamprey populations by installing barriers to spawning migrations, trapping migrating adults and applying target-specific pesticides, known as lampricides. To guide these control efforts, the Service conducts quantitative sea lamprey assessment surveys and numerous presence/absence surveys in tributaries and delta areas throughout the basin. In addition, the Service supports extensive regulatory/permit requirements and places high priority on the development and investigation of sea lamprey control techniques that may provide useful alternatives to lampricides, engaging a variety of stakeholders to further the science of sea lamprey management.

Approximately 70 percent of the Service's Fish and Wildlife Management Assistance program budget on Lake Champlain is focused on sea lamprey management and associated restoration of native fish species. Direct management of sea lamprey accounts for approximately 50 percent of the Service's Fish and Wildlife Management Assistance program budget, while related salmonid assessment and restoration activities account for an additional 20 percent.

Final fiscal year 2006 allocations to the Lake Champlain Fish and Wildlife Resources Office will be dependent on actual appropriation amounts received, but as-

suming the Service receives the same level of base funding in fiscal year 2006 as was received in fiscal year 2005, plus requested pay uncontrollable funding, the Service intends to fund this office and its sea lamprey management activities at the same levels as in fiscal year 2005.

#### ANWR LEASE SALES

Senator LEAHY. Madam Secretary, I am not trying to play games on the lease sales and the amount. Obviously, your Department is going to have to have specific figures of what those lease sales are going to be. Can you supply for the record, as soon as possible, specifically what your Department estimates the lease sales will be?

Secretary NORTON. That information is included within the budget.

The other point that I should make is that before lease sales would occur, there would be additional very high-tech seismic work done in that area. So everyone would have a much better understanding of exactly what resources are there and where they are located. So that could make a difference either positively or negatively.

Senator LEAHY. And I understand that, and that is fair. But somebody had to make some estimates to get to \$2.4 billion.

Secretary NORTON. Those are the same figures that have been used for about a decade and have not been adjusted upward with the new increases in the price of oil.

Senator LEAHY. I understand. But you will keep us posted if those figures are changing or if those figures are still valid in your Department? Maybe I should ask the question this way. Are those figures still valid in your Department today and will you let us know if they change?

Secretary NORTON. We believe those are valid figures, and we would let you know if those change, but I do not anticipate any change during this current year.

Senator LEAHY. Thank you, Mr. Chairman.

Senator BURNS. Thank you, Senator Leahy.

Senator Cochran.

#### NATCHEZ TRACE PARKWAY

Senator COCHRAN. Madam Secretary, we are very pleased that in May we are going to celebrate the completion of the Natchez Trace Parkway, which spans the distance between Natchez, Mississippi and Nashville, Tennessee. There are a lot of living history sites along the way, and it is a beautiful parkway. I mention that in hopes that you may be able to come to the celebration. There are going to be two events in Mississippi: one in Clinton, Mississippi very near Jackson, which is one of the areas that was last completed along the parkway; and at Natchez, which, of course, is the southern terminus of the parkway, but is also the site of the Natchez Historical Park, which enhances the pleasure of those who visit that area of our State. It is a great achievement.

It was started by authorizing legislation 67 years ago. I remember it because that is the year I was born. It has taken that long to finish the parkway. But it is due to the hard work of a lot of people along through the years and many in the administration have taken an active part in it.

I was just thinking about one of the highlights, the establishment of the National Historical Park at Natchez. Manuel Lujan was the Secretary of Interior at that time. He came to Natchez and spoke at the dedication of one of the facilities that had been included in the parkway, one of the antebellum homes, Melrose, which provides visitors an opportunity to understand a little bit about the way of life back in the early days of that region of the country, one of the earliest settled areas of the new United States, as a matter of fact.

I bring that up to mention that the Department's continued support for maintenance and the pleasure of visitors who come to see that area would be deeply appreciated. The superintendent of the parkway, Wendall Simpson, is an outstanding individual whose has devoted a lot of time and effort and hard work to the completion of the project, but also to the enhancement of the beauty, maintaining the parkway. It has really been a great thing to observe over the years, and it is culminating in the final completion of the parkway.

I will get you the dates. So you will have a look at your calendar. I hope you will be able to come down and help us celebrate this great occasion.

One of the interesting things too about the northern area of the parkway is, as you get up into Tennessee, you come to a site where Meriwether Lewis, from the famous Lewis and Clark Expedition, died. There is a marker there to commemorate his death and his life, and his contribution to the exploration of the new United States at the request of Thomas Jefferson. This is an area that is rich in history and significance for many reasons, and I am sure that at some point we will probably see a request coming in for a facility to be located up there in the Tennessee area so people can enjoy the significance of that part of the parkway as well.

Well, that is enough of the parochial interests. I wanted to bring that to your attention and let you know about how proud we are of the work of the Department in that area. And thank you and your colleagues at the Department for their help in making this a reality.

Secretary NORTON. Thank you very much. I recently read a book that was set in that area, and I do look forward to seeing it. I have heard so much about how beautiful that is.

#### MIGRATORY BIRD CONSERVATION COMMISSION

Also, I want to personally thank you for your work on the Migratory Bird Conservation Commission. You are a very dedicated member of the Commission and have put a lot of your personal time into seeing the success of the work of that commission. I appreciate that.

Senator COCHRAN. Thank you. It is a pleasure working with you on that Commission. You chair it. You are the chairwoman.

#### HOLT COLLIER WILDLIFE REFUGE

We are also happy that recently we celebrated a new opening of a wildlife refuge. We dedicated the Holt Collier Wildlife Refuge, the first wildlife refuge to be named for an African American. He is the fellow who took Theodore Roosevelt on the bear hunt down in the

Mississippi Delta where the bear was lassoed because he was about to get away, and they said, shoot the bear, Mr. President, and he would not shoot the bear because they had a rope around his neck. Some cartoonist in New York put that in the newspaper in a story about it, and hence, the teddy bear. An enterprising toy store owner decided to capitalize on the notoriety of Teddy Roosevelt.

So we had a great celebration the other day at the Mississippi Museum of Natural History where we dedicated this new refuge. But it is one of many throughout the country that help serve the purpose of wildlife habitat protection, and part of the funds that people pay for duck stamps and the privilege of hunting migratory birds is to go into a fund where we set aside certain amounts to protect wildlife habitat. This is one of the newest areas in our State that joins the refuge system. Fittingly enough, it is a part of the Theodore Roosevelt Wildlife Refuge system in our State. We are very proud of that connection with the former President.

#### TSUNAMI WARNING SYSTEM FUNDING

Let me ask you a question about the supplemental. I had some notes from my staff indicating that there would be a request for additional funds for supplemental funding for a tsunami warning system, and that involves the USGS, U.S. Geological Survey, and the National Oceanic and Atmospheric Administration. Is that something that the Department is involved in in some way? Could you tell us what your needs are in connection with this supplemental request?

Secretary NORTON. The U.S. Geological Survey provides half of the equation in trying to determine tsunamis. We are the ones that monitor earthquakes all over the world and are able to quickly determine the size, intensity, and location of the earthquakes, and then that information is given to the National Oceanic and Atmospheric Administration that has wave monitors and so forth that then can provide tsunami warnings.

Since the very tragic situation in the Indian Ocean, we have focused on our activities, as well as those of NOAA, to determine how we can be most effective both internationally but also in protecting our own coastline.

From the Department of the Interior perspective, we want to make sure that our National Earthquake Center, which is in Golden, Colorado, is staffed 24 hours a day, 7 days a week, and that we are able to quickly provide information. We are also looking at other enhancements to our system.

Lynn, would you like to add something on that?

Ms. SCARLETT. Yes. As part of that effort, I believe in the supplemental there is a proposal for the Department of the Interior and USGS for about \$8 million, with an additional \$5 million in our 2006 budget request that would amplify that.

Senator COCHRAN. Is that fund that you are requesting the \$8.1 million—that is consistent with my information as well. Is that needed in this fiscal year or should it be made a part of the next year's appropriation? What is the urgency? How will the money be spent if it is provided in the supplemental?

Mr. TREZISE. Senator Cochran, most of that money is for technology upgrades, both hardware and software, that need to be initi-



ated now so that we can get them in place as soon as possible, and certainly in 2006, to have a higher level of ability to monitor and disseminate information on earthquakes.

Senator COCHRAN. Will this protect the United States and its territories, or will it protect other areas such as in the Indian Ocean?

Secretary NORTON. There are protections that will assist with both. In many parts of the world, there are earthquake monitors that exist that provide information to our system, but they are not directly wired into our system to get information in real time. You have to have somebody go out and check and send in the information. So being able to have immediate access to that will help worldwide.

We also want to look more closely at our own coasts and especially in the Gulf of Mexico area to see that we are enhancing our ability in those areas. The most vulnerable areas are actually our territories as opposed to the U.S. coastline, but we want to see that we are looking at the Gulf of Mexico.

#### HEALTHY FORESTS RESTORATION ACT

Senator COCHRAN. My final comment is about your cooperation and leadership in the implementation of the Healthy Forests Restoration Act, which we passed here in Congress. We thank you for your leadership in implementing that legislation. We hope that you will let us know about the levels of funding that you may need to help ensure that we continue to do a good job of stewardship not only with our U.S. forest lands but also to assist private landowners in helping to protect their lands, and that is part of this restoration act as well. Thank you very much.

Secretary NORTON. Thank you.

Senator BURNS. Thank you, Senator Cochran.

#### CONTRACT SUPPORT COSTS

In the area of contract support costs in the recent court decision, the court ruled that tribes have not been fully reimbursed for self-determination contracts that they have entered into with the Indian Health Service and the Bureau of Indian Affairs. Can you give us a short synopsis of the Supreme Court decision and how that impacts the Department of the Interior?

Secretary NORTON. As you mentioned, that is a very recent decision. Our lawyers in the Solicitor's Office are taking a close look at that decision. Their preliminary analysis is that the decision will not require significant retroactive payments by the Bureau of Indian Affairs.

As the subcommittee is aware, for a number of years, the Interior Appropriations Act has contained bill language that caps the amount of funding available for contract support for both BIA and the Indian Health Service. The Cherokee Nation case involved claims for contract support from IHS for a period before the legislative cap was put in place. The Office of the Solicitor indicates that there are no pending cases against BIA involving claims for contract support for years prior to the legislative cap.

Senator BURNS. Will this budget that we are talking about here impact this 2006 fiscal year? And should there be any left for the 2005?

Ms. SCARLETT. I do not believe we anticipate an impact for 2006 nor for 2005.

#### PRESERVE AMERICA PROGRAM

Senator BURNS. I, like Senator Dorgan, am concerned about Preserve America. We have several programs out there right now, as you well know, that deal with American heritage spots, and now we have added another one here. Give me your idea. How come we cannot assume that there is a lot of redundancy here, and how will this new program be different than the ones that we already have in existence?

Secretary NORTON. Preserve America differs from our other programs in a couple of ways.

First of all, the Save America's Treasures Program is a very good program and we do continue that program, although we would propose reducing funding. That program focuses on bricks and mortar.

We also have the heritage area program which is somewhat more akin to Preserve America in focusing on heritage tourism and on local efforts to try to incorporate historic preservation into tourism and into commercial activities.

The Preserve America program is a competitive grant program. It does not create the kind of ongoing Federal funding relationship that is created by the heritage area program. It is something that is available to more communities and is more focused on assisting community efforts. It does more to really bring in a public/private partnership for protection of our historic heritage.

Senator BURNS. We may have a little discussion about that later on, but we will try and work our way through it.

#### RURAL FIRE ASSISTANCE

In the Bureau of Land Management, rural fire assistance. I am very concerned about this. You have proposed an elimination of that program administered by the BLM. The budget justifies this cut by arguing that the Forest Service and FEMA have similar programs. I must point out to you that the Forest Service account for State and local fire assistance was cut by \$22 million. We just had the chief up here the other day and talked about that. The FEMA assistance grant has been cut by almost \$100 million. So what you have done here sort of impacts this whole thing. So can you explain the rationale for eliminating your program?

Secretary NORTON. Our program was yet another grant program, a very small one in comparison with the other programs. It seemed like a duplication of effort with what the other larger programs were already doing. We work very closely with the Forest Service on all aspects of our forest fire activities.

We are also working with FEMA very closely. As you know, a lot of their program funds originally went to things that were related to homeland security and they have put in place a lot of activities and funding for that. We also have an MOU with them and we are working to refine that to have their much larger funding—this year the program is funded at \$500 million—to have some of that be available for rural fire assistance. So we felt like overall from the Federal Government, it was a more efficient way to deliver those grant funds.

Senator BURNS. If you—I am sorry, Ms. Scarlett. Would you like to comment?

Ms. SCARLETT. I might add to that. We also have \$1.9 million within the preparedness program that would also go towards rural fire assistance directly from the Department of the Interior, and then we would be augmenting that by working with the funds that the Secretary noted from FEMA.

Senator BURNS. If you could do a report on how you think interacting with the other agencies such as FEMA and the Forest Service and sort of lay that out for the concerns of the committee. We are looking at probably the lowest snowpack that I have ever seen in the State of Montana, and we are not any better off in the plains where most of the BLM land is. And of course, in Montana most of the forests are with the Forest Service. If we do not have a very good April, May, and June, I fear we are in deep trouble. So that is why I am concerned about this. If you could give us some idea on how you will interact, understanding the conditions of the northern high plains.

I realize down in Colorado that is your home country, that jet stream just went south this year and it stayed down there, and when it does not whip up and down in your weather patterns, some places get caught off about that. But if you could have some sort of a report to us on how that interaction is going to happen and the dollars involved, I think it would allay a lot of concerns that this committee might have.

[The information follows:]

#### RURAL FIRE ASSISTANCE

The requested information on how the Department of the Interior's Wildland Fire Management program will work with FEMA and the Forest Service so that RFDs continue to receive federal assistance follows.

The National Fire Plan represents a long-term commitment and investment to help protect communities, natural resources, and most importantly, the lives of firefighters and the public from the risks of wildland fire. Rural fire departments are a vital resource in assisting the Department in meeting its fire management responsibilities. The program will continue to support these critical relationships through a variety of means.

The Rural Fire Assistance program was authorized in the Department of the Interior and Related Agencies Appropriations Act, 2001, Public Law 106-291, to enhance the fire protection capability of rural fire departments (RFDs). The program provides funds to rural/volunteer fire departments that serve small, rural communities to purchase training, equipment, and fire prevention activities. Funds are provided on a cost-shared basis. Participating bureaus include Bureau of Indian Affairs, National Park Service, Bureau of Land Management and U.S. Fish and Wildlife Service. Since 2001, the program has provided \$50 million in grants that have been used to train more than 12,000 firefighters, provide PPE to more than 100,000 firefighters, and conduct over 1,000 workshops in small communities.

The Department is committed to continuing to enhance RFDs' capacity to protect communities from wildfire while increasing their level of safety. The 2006 budget request includes \$1.9 million in new preparedness funding to further wildland fire training for RFDs. The ready reserve proposal would strengthen initial attack and develop extended attack capabilities by training 1,000-2000 firefighters each year and equipping them with personal protective equipment (PPE). Communities will benefit by having skilled cadres of local firefighters available to reduce loss of property and natural resources.

The Wildland Fire Leadership Council (WFLC) was established in April 2002 to implement and coordinate the National Fire Plan and provide leadership to address interagency differences to ensure seamless delivery of a coordinated fire protection program. Members include senior officials from the federal fire agencies, bureau heads, and state, tribal and county representatives. In January 2003, WFLC members from DOI, USDA, FEMA and the National Association of State Foresters

signed a Memorandum of Understanding (MOU) to promote consistent and systematic federal assistance to fire departments and support national efforts to improve firefighter safety, protect property, and save lives with respect to catastrophic wildland fire.

Under this agreement, partnering agencies developed a collaborative approach to review competitive applications for grant awards as well as discuss the various program parameters. While our relationship has been enhanced, the partnering agencies have also provided the public better information about our collaborative work.

The next step in furthering this collaboration is to enhance the existing MOU. Talks between the partnering agencies are underway, and have focused on means to emphasize the small rural departments that are vital to wildland fire initial attack success. In particular, the large FEMA Assistance to Firefighters Grant (AFG) program has a number of components that would be suitable to serve RFDs that perform wildland firefighting duties. This program seeks to support organizations that lack the tools and resources necessary to protect the health and safety of the public and their emergency response personnel with respect to fire and other hazards. Grants may also be used for training, equipment, and PPE, as well as fitness and wellness, and structure modifications not funded by RFA.

Discussions for MOU revision have included the following points:

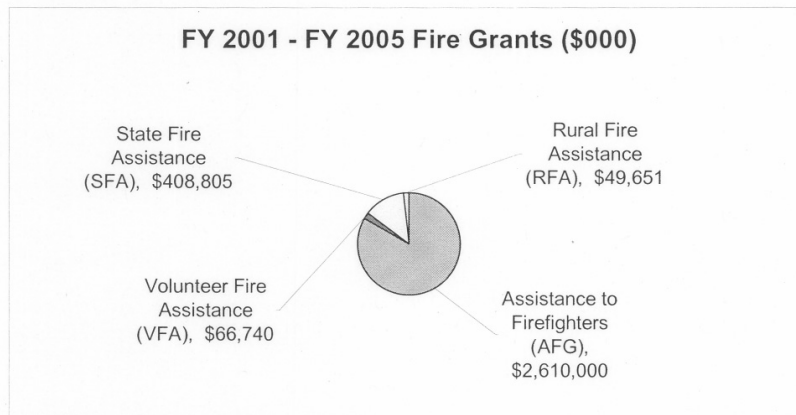
- Provide additional information to FEMA on wildland firefighting priorities and needs. This information could possibly be incorporated into annual guidance issued for prospective grant applicants or as website links.
- Further formalize DOI, Forest Service and FEMA peer review of FEMA awards. The existing MOU encourages sharing information about pending grant applications among the various partnering agencies, as well as coordinating application reviews. Efforts to further integrate all partners in the peer review process in some cases are restricted by authorizing statutes. For example, federal employees are prohibited from participating with members of fire service organizations for the purpose of determining criteria for awards. However, peer review panel chairs must be federal employees. Final language refining the level of federal participation appropriate in the criteria development process will be carefully considered.
- Share additional website information. This exchange will likely take the form of additional links between partners' websites, and should be readily accomplished.
- Coordinate educational efforts for grant workshops. These efforts will further "one-stop-shopping" so that grant workshops provide more information about the breadth of resources available to RFDs.

Within the larger AFG program are several smaller components that could be suitable for RFDs seeking assistance for wildland fire training and equipment. Fire Prevention and Firefighter Safety (FPS) grant applications will be accepted in September 2005. This 5 percent set-aside could be used for things like planning, coordinating, community awareness and Community Wildfire Protection Plans (CWPPs). The Staffing for Adequate Fire and Emergency Response (SAFER) grant program (new in 2005) will be open in June; guidance is still pending.

The Department recognizes constraints on the various federal grant programs. Efforts to best utilize scarce resources, further community protection and safety, and enhance RFDs' capacity to reduce the loss of property and natural resources provide the opportunity to evaluate the effectiveness of our overall interagency program delivery. We look forward to continued discussions with partnering agencies and expect to finalize an enhanced MOU by summer.

The following table summarizes agency fire grant appropriations from fiscal year 2001-fiscal year 2005.

AGENCY/PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Cumulative Totals
<b>FEMA</b>						
Assistance to Firefighters (AFG)	\$ 100,000	\$ 360,000	\$ 750,000	\$ 750,000	\$ 650,000	\$ 2,610,000
<b>USDA FS</b>						
Volunteer Fire Assistance (VFA)	\$ 13,251	\$ 13,315	\$ 13,193	\$ 13,175	\$ 13,806	\$ 66,740
State Fire Assistance (SFA)	\$ 77,828	\$ 81,693	\$ 91,738	\$ 84,447	\$ 73,099	\$ 408,805
<b>Total USDA FS</b>	<b>\$ 91,079</b>	<b>\$ 95,008</b>	<b>\$ 104,931</b>	<b>\$ 97,622</b>	<b>\$ 86,905</b>	<b>\$ 475,545</b>
<b>DOI</b>						
Rural Fire Assistance (RFA)	\$ 9,978	\$ 10,000	\$ 9,935	\$ 9,877	\$ 9,861	\$ 49,651
<b>TOTALS</b>	<b>\$ 201,057</b>	<b>\$ 465,008</b>	<b>\$ 864,866</b>	<b>\$ 857,499</b>	<b>\$ 746,766</b>	<b>\$ 3,135,196</b>



Senator BURNS. This is going to be my last question and then I am going to send this whole thing down to you.

#### RANGE IMPROVEMENT FUND

In the area of range improvement funds, I noticed you eliminate those monies. As you know, we work very closely in range improvement with the Society of Range Management, which is a rancher-funded organization, and use that. We still have work to do in habitat and riparian areas. That is how we really averted the sage grouse controversy because a lot of people took it at its word up front and went to work on that. A lot of States did, anyway, working with our grazers and our recreation people. I have some concern about that.

Also, I know this is hard to understand here in Washington, D.C., but you ought to go to some of these glitzy kind of receptions and somebody walks up to you and says what are you working on today, and you say weeds. See how fast you are standing there by yourself.

A lot of folks do not know the invasive weeds or noxious weeds that we have to contend with. That was part of this fund. So I am kind of concerned about that because we still have a weed problem.

Secretary NORTON. Mr. Chairman, our proposal is one that would continue our funding for those programs at the current level, working through our challenge cost-share program and deferred maintenance funding. What our proposal does is move away from mandatory funding for those purposes. We certainly recognize the importance of invasive weeds. I have my own share of understanding about cheat grass and things like that. We do recognize that is important. This is just a change in the way in which the funding is structured.

Senator BURNS. For years and years and years, groups have sought to eliminate grazing on public lands. The other day we saw where they actually paid a sheepman to come in and mob off the side of the mountain in order to get rid of weeds. That is the best control we have. They were so glad that they had come up with that idea, that grazing those things off is better than using chemicals or spray or hand eradication or anything like that. They came up with this idea they were going to use sheep to do it. Gosh, I wish I had thought of that.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Mr. Chairman.

#### RURAL AND COMMUNITY FIRE FUNDING

Madam Secretary, I want you to know that I share the chairman's concerns about the rural and community fire funding. I too would like to see that report. I think we have got big problems, not having to do with your Department, but certainly the other Department with respect to seeing that those hazardous fuels monies could really go where the need is, particularly in the urban interface areas, which are more expensive to treat. That is really not your problem, but it is my problem.

#### LESLIE SALT PONDS

I wanted to talk with you about something you said, and that is the subject of private/public partnerships. In my State, I think one of the best private/public partnerships was something that I had something to do with, and that was the private/public partnership that we hope will result in the largest wetlands restoration in our State. That is the conversion of the Leslie Salt Ponds in San Francisco Bay back into wetlands. The bay has lost 90 percent of its wetlands

We put together a private/public partnership of \$100 million to buy those salt ponds from Cargill. My understanding is that the conversion is going rather well. As a matter of fact, as I fly home and we fly on the landing pattern over the salt ponds, I see them bit by bit changing back into wetlands and bay waters. It is indeed very exciting. We have had great cooperation from the Hewlett, the Packard, the Gordon Moore Foundation, the Richard Goldman Foundation, the State in putting up the money, and the Federal Government put in \$8 million of that \$100 million.

#### DON EDWARDS NATIONAL WILDLIFE REFUGE

A problem has arisen with the Don Edwards National Wildlife Refuge with the addition of 9,600 acres to that refuge. It is my un-

derstanding that Fish and Wildlife has said that that would cost another \$540,000 in O&M. It is also my understanding that the President's budget proposes to remove \$532,000 fiscal year 2005 appropriations for conservation work on the refuge. I think these are important dollars.

So my question is, how will the Fish and Wildlife Service make up this \$532,000 cut?

Secretary NORTON. I am enthused about the Don Edwards Wildlife Refuge, having once been a resident of the San Francisco Bay area.

Senator FEINSTEIN. You have been out there and you have seen what we are doing.

Secretary NORTON. Yes. That is a spectacular piece of property.

We view that as a prime place for the Partners in Fish and Wildlife program and for some of our other conservation programs. We are requesting a \$12 million increase for the general program activities in the partners program and believe that the Don Edwards Wildlife Refuge restoration would be a great example of the kinds of things that we could do with that program.

We also have funding that we are working through with the U.S. Geological Survey for some research at the wildlife refuge. So what we would propose to do is work with our existing, funded programs to address the work in that area.

Senator FEINSTEIN. So far you are batting 1,000. Let us see if it continues.

#### USGS ASSISTANCE TO REFUGES

I also understand that two important sources of 2005 funding for USGS assistance to refuges totals about \$900,000, and that will no longer be available in fiscal year 2006. Now, it is my understanding that these monies are used really to do critical studies on mercury and other pollutants in refuge areas. To be specific, this is \$195,000 in USGS science support funds and \$750,000 from the California Coastal Conservancy. Now, that is not your problem, but I understand those monies are no longer going to be available.

So my question is, what will happen with some of those critical studies that need to be done?

Ms. SCARLETT. Senator, with the USGS we have what is called a Priority Ecosystems program from which monies went to this work. Also the State of California funded the research that you are identifying. That program is funded in 2006 at the same level as 2005, and we would anticipate that the science projects at Don Edwards would, likewise, in 2006 be eligible for funding.

The other portion of funds came from what is called a USGS Quick Response program. That is funded at \$350,000 in 2006. The distinction there, we would need to look at whether the Don Edwards Refuge would be eligible for the criteria set under that Quick Response program.

Senator FEINSTEIN. May I ask, Madam Secretary, then that you work with us so that we know?

Secretary NORTON. We would be happy to do that. I would also point out that we have significantly increased the operations funding for the Fish and Wildlife Service over the last several years and

view that also as being available to help with that Don Edwards Refuge.

Senator FEINSTEIN. Thanks very much.

#### LWCF FUNDS REPROGRAMMING

Now a question on the reprogramming of Land and Water Conservation funds. It is my understanding that last year's omnibus included a provision that rescinded \$10 million in unobligated BLM Land and Water Conservation funds. I am concerned that an Interior plan to allocate to California a disproportionate share of the rescinded funds, and by that I mean that \$7 million out of the \$10 million would be taken out of California projects. That could make acquisitions very difficult, and specifically the Cathton property near Palm Springs, which Representative Bono and I wrote to you about. I do not know if you saw the letter but we wrote very recently.

So my question is, how does the Department plan to ensure that these cuts are made fairly and the burden is shared equally across other States?

Secretary NORTON. I would like to ask Lynn Scarlett to address that in some detail.

Senator FEINSTEIN. Thank you.

Ms. SCARLETT. Yes. Thank you, Senator.

At issue was \$16.8 million in specific projects earmarked by the Congress but for which \$6.8 million were provided. My understanding is that the Bureau of Land Management looked at its unobligated acquisitions across the Nation and looked at its existing priorities and determined which of the \$10 million in unobligated balances it would then utilize for those programs authorized in the 2005 budget.

I believe that reprogramming actually has already been undertaken. I think it has already been approved, if I am not mistaken.

Mr. TREZISE. Notification has been submitted to the subcommittees, yes.

Ms. SCARLETT. With the particular property that you have mentioned and the distribution of those unobligated balances for the State of California. If, as Congress reviews our reprogramming request, we need to go back and look at that, we certainly would do so.

Senator FEINSTEIN. I appreciate that. And you remember where you are from.

Senator BURNS. I will remind her.

Senator FEINSTEIN. Good.

#### DESERT PROTECTION ACT

I am glad the chairman is here because I want to talk to you just for a minute about the Desert Protection Act. That is a bill that I wrote. We were intimately familiar with it. It is a big park and wilderness bill. When the bill was written, we were aware that there were certain grazing operations on national park land. I went down and I looked at them.

This was really kind of the old West still existing in the desert. I remember visiting the Blair family. They live 50 miles from the nearest school, 75 miles from the nearest store. Kathy Blair took



her children to school both ways. That is 100 miles a day driving. They had their own generator way out in the middle of the desert. They had about 500 head of cattle. His father, his grandfather had worked that.

I wrote the bill specifically with the intent that the existing grazing would continue at the existing level. What I have noticed now are efforts to do away with the water, make it more difficult. There were only five ranchers left. Rob Blair wants to move out. It is just too hard now. Senator Burns helped me with some language on, one, to make it even clearer as to what the intent was.

I believe that the Park Service should make every effort to allow the existing ranchers who wish to do so to continue to ranch within the confines of the bill's language.

Now, this language can come into conflict with the Endangered Species Act involving the desert tortoise. I recognize that.

But I guess what I want to ask you, offering a grazing permit, but withholding water facilities is an empty gesture. Will you commit to allowing the return of the previous water facilities under this temporary grazing permit?

Secretary NORTON. Senator Feinstein, I appreciate you bringing this to my attention. I have a prepared response from my staff, but I am concerned, as you are, about some of the questions that are raised. I want to find out some more about this and how much of this is necessitated by endangered species requirements and how much might be just not having an appreciation for the grazing heritage of the area. I do understand that there is one particular permit that has—not the individual you mentioned—that has some specific problems. But I would like to take a look a little more closely myself at the issues that you have raised.

Senator FEINSTEIN. Yes. So you know the legislative history, this was a tough bill to do. It was filibustered on the floor. The desert is not like Yellowstone. It is not like Yosemite. It is totally different. I mean, we have got millions of acres in this bill, at least 7–8 million acres. It has got everything there. The thrust of the bill was that no private property owner be displaced, no eminent domain. Everything would be willing seller/willing buyer. And existing grazing could continue sort of in the tradition of the old West.

I know what happens. I understand it. I know the environmental thrust is, well, get these grazers, make it more difficult so they will move out, and there will be just wilderness with nothing else. But that has not been its history. I think there is a richness in its history. So the bill was written to protect that historic richness, and that is really what I want to share directly and publicly with you.

Secretary NORTON. Thank you very much. I will look into it some more.

Senator FEINSTEIN. Thank you, and would you let me know?

Secretary NORTON. All right.

Senator FEINSTEIN. Great. Thank you.

CALFED. One part of the CALFED water program—

Senator BURNS. Will the Senator yield just for a comment?

Senator FEINSTEIN. Certainly.

Senator BURNS. I can remember that issue. I would advise the Secretary that there are some things that go on out there that you are unaware of. Using the endangered species, I think it is a weak

answer. I think those people just come up with reasons to make it tough. I will tell you, if you find somebody that is doing that and they cannot substantiate it, fire them because some of these people in the Park Service are just absolutely dedicated to a different idea of what makes this country work than Senator Feinstein and I. So do not look at nothing. Just do what the legislation says. I mean it. I get upset when these people come up and give some damned bureaucratic answer that does not mean a thing. Maybe I get really upset about that.

I know what she was trying to do and we tried to do it just exactly the way it should have been done in the first place. Now we find other reasons. That is weak. Enough said.

Senator FEINSTEIN. Thank you, Senator. I appreciate your support very, very much.

#### CALFED

Let me speak about CALFED. The one program that is within the jurisdiction of this subcommittee is the Fish and Wildlife Service's programs. In restoring habitat for endangered salmon, I understand there are proposals to concentrate funding on projects that provide the greatest increases in fish populations per dollar expended.

What I would like to ask is that you provide me with a list of the most potentially promising ecosystem restoration projects in California and how these projects will advance us toward the fish doubling goals of the CVPIA. I think those are good goals. When we put together the CALFED bill, again, we were very serious in the ecosystems restoration and fish restoration. So it would be helpful if I were to technically know which are the most promising restoration areas for fish.

Secretary NORTON. That seems like an excellent question, and we will try to answer that as well as we can.

[The information follows:]

#### CALIFORNIA ECOSYSTEM RESTORATION PROJECTS RELATING TO CENTRAL VALLEY ANADROMOUS FISH DOUBLING

Much of the restoration to date, conducted by the Fish and Wildlife Service under the authority of the Central Valley Improvement Act (CVPIA) and CALFED Bay-Delta program, has been focused on physical restoration to improve habitat conditions within the system. While these efforts have made significant progress towards the doubling goal, the Service believes increasing instream flow for fish passage, spawning and rearing is critical if the doubling objective is to be achieved. Habitat restoration remains a critical component, and coupled with instream flow for fish passage, can advance the goal of anadromous fish restoration. Three programs within the Service are focused on water acquisition for instream flow; the CVPIA 3406 b(3) Water Acquisition Program (WAP), the CALFED Environmental Water Program (EWP), and the CALFED Environmental Water Program. The CVPIA b(1) Anadromous Fish Restoration Program (AFRP) serves as the primary habitat restoration program. All of these programs undergo extensive, stakeholder processes that identify priority projects and streams targeted for funding.

#### CURRENT FISCAL YEAR 2005 PROJECTS

The Service receives money annually through the Bureau of Reclamation to implement the Central Valley Project Improvement Act. The Bureau of Reclamation assesses a mitigation fee on water and power beneficiaries of the Central Valley Project. Fee collections comprise the Restoration Fund from which the Bureau of Reclamation allocates funds to the Service for restoration purposes. The programs

and funding amounts described below will assist in advancing the anadromous fish doubling goal during fiscal year 2005:

\$5,181,000 was provided to the Service for the Anadromous Fish Restoration Program. Section 3406(b)(1) of the CVPIA directs the Secretary of the Interior to develop and implement a program that makes all reasonable efforts to at least double natural production of anadromous fish in California's Central Valley streams on a long-term, sustainable basis. The major resulting program is known as the Anadromous Fish Restoration Program. Since 1995, the AFRP has helped implement over 195 projects to restore natural production of anadromous fish.

\$617,000 was provided to the Service for the Clear Creek Restoration Program. The Clear Creek Fish Restoration Program was established to implement restoration within the Clear Creek watershed as provided for under section 3406(b)(12) of the Central Valley project Improvement Act. The Service and Reclamation have worked closely with California Departments of Fish and Game and Water Resources, the National Park Service, Bureau of Land Management, county and local agencies and organizations, stakeholder groups, and the general public to provide planning and implementation of restoration actions in the Clear Creek watershed. The Clear Creek Coordinated Resource Management Planning group and the Clear Creek Technical Team work directly with local entities to achieve Clear Creek Fish Restoration Program objectives.

\$581,684 was provided to the Service for the Anadromous Fish Screen Program. The primary objective of the Anadromous Fish Screen Program is to protect juvenile Chinook salmon, steelhead trout, green and white sturgeon, striped bass and American shad from entrainment at priority diversions throughout the Central Valley. Section 3406(b)(21) of the Central Valley Project Improvement Act requires the Secretary of the Interior to assist the State of California to develop and implement measures to avoid losses of juvenile anadromous fish resulting from unscreened or inadequately screened diversions on the Sacramento and San Joaquin Rivers, their tributaries, the Delta and the Suisun Marsh.

#### LONG TERM PROJECTS

The following projects are also high priorities, however they are projected to take a decade to complete.

#### WATER ACQUISITION FOR INSTREAM FLOW TOP PRIORITIES

*Clear Creek.*—Generate medium high flows to recreate basic geomorphic processes and improve habitat quality and quantity for spring-run Chinook salmon and steelhead. The ten year program includes monitoring.

*Deer Creek.*—Combine water use efficiency and ground water exchange to provide 50 cfs at critical times to allow unimpaired passage of spring-run and steelhead. The ten year agreement includes monitoring.

#### HABITAT RESTORATION TOP PRIORITIES

Habitat restoration projects are implemented through a competitive, public request for proposals that includes extensive program, scientific, and budget review. Public notification is required before projects are funded, and environmental compliance (consistent with the Natural Community Conservation Planning Act, National Environmental Policy Act; State and Federal endangered species acts, etc.) is also necessary. A single entity cannot double natural production of anadromous fish throughout the Central Valley, partnerships are needed. Voluntary collaboration to achieve mutual goals and objectives will accelerate accomplishments, increase available resources, reduce duplication of efforts, encourage innovative solutions, improve communication, and increase public involvement and support through shared authority and ownership of restoration actions.

The habitat projects below have a high potential for contributing to the CVPIA anadromous fish doubling goal.

*Clear Creek.*—Stream channel and flood plain restoration projects to restore ecosystem function and increase spawning and rearing habitat and thereby increase fish production.

*Sacramento River.*—Improve passage at Red Bluff Diversion Dam for salmon, steelhead, and sturgeon.

Senator FEINSTEIN. Thank you very much.

## HEADWATERS FOREST RESERVE RESOURCE MANAGEMENT PLAN

If I may, just a couple more. The BLM's California office believes that about \$1 million annually for the next 5 years is needed to implement the headwaters forest reserve resource management plan.

What I would like to ask is, if you have a position with respect to full implementation of the headwaters plan, would you tell us? And how much is in the 2006 budget on this issue?

Secretary NORTON. It is my understanding that we are on track with the implementation of that program. We have \$1.2 million that is allocated for implementation for 2005 and 2006. We do view that as an important goal.

Senator FEINSTEIN. Thank you very much.

## HAZARDOUS FUELS REDUCTION PROGRAM

Let me just ask a question along the lines of the dialogue that you and Senator Burns had. The BLM hazardous fuels reduction program is also important for California. Particularly, we rely on the \$2 million of annual grants for local fire safe councils to implement community protection measures. I attended a Tahoe summit, which I hope one day you will be able to attend, where all of the jurisdictions around Lake Tahoe got together to do their fire plans. The point I guess is that these grants I think are important. The planning is going on all throughout the State.

Do you plan to continue these grants?

Secretary NORTON. Our overall program that this is funded from is the hazardous fuels program, and that has an increase of \$9.8 million for this year.

The California Fire Safe Council is a very good program and we support the work that they are doing. The allocation of financial support to particular States and local programs is something that is done as we weigh the needs and the merits of each of those programs later on in the year. But we do support the overall work of the program. I cannot give it a specific dollar amount, but it is the kind of collaborative effort that we think makes a lot of sense.

Senator FEINSTEIN. Terrific. Thank you very much.

## LAKE BERRYESSA

Now, I guess a few days ago, we were visited by supervisors from Napa County who are having problems with the recreational facilities at Lake Berryessa, which is currently managed by the Bureau of Reclamation. I guess what I would like to ask is if you will work closely with our office and the county supervisors in looking at the options, as you undertake the EIS process for a new visitor services plan. Particularly Supervisor Dillon of Napa County was back here, and there have been two extensions of public comment. My understanding is the plan has been recently released for more public comment.

The county provides the police and public services at Berryessa, which amounts to about \$800,000 a year, and currently there are about 1,300 privately owned trailers on the west shore of the lake, and there is limited public access. So the trailer owners want the no-action alternative. That is kind of where we are. I do not know what the bureau's position is on this, but we have got a conflict.

Secretary NORTON. We understand this is a situation with a long history. We are very committed to going through the NEPA process and would be happy to work with you as we continue on that process. Reclamation expects to have their final environmental impact statement and record of decision in the summer or fall of this year. You are correct that we have asked for additional public comment.

Senator FEINSTEIN. Terrific. Now, just one last one and then I am finished.

#### PARK OPERATIONS

The \$55.5 million increase in the President's request for park operations is almost entirely, we understand, for fixed costs, including pay and benefit costs to cover current Park Service employees. I think it is great that these costs are finally being budgeted for, but I understand there are no programmatic increases for operations. How are you going to manage?

Secretary NORTON. The way in which our park funds are usually allocated is to each park individually. Within that they allocate it to the kinds of programs that they think are most significant for that individual park. We have increased funding. There was a significant increase in funding for 2005, and we continue with increases for 2006.

We are also trying to look at ways in which we can operate more effectively system-wide. Some of our regional directors have been looking at what I think are good ideas, trying to look at efficiencies, including those between parks. For example, if we have two neighboring parks that each want to have a new archaeologist on staff, they look to see whether we might be able to share an archaeologist between the two parks. I think there are some things like that that may be helpful as well.

We want to be sure that we are continuing to tackle the maintenance backlog and our request provides the funding for that, as well as for enhancing our visitor services.

#### MARIJUANA PROPAGATION IN NATIONAL PARKS

Senator FEINSTEIN. Finally, I just want to give you a challenge. There is a lot of marijuana being grown in national parks, and particularly the King's Canyon Sequoia National Park. I would like to bring that to your attention, if I might.

Secretary NORTON. I have heard about some of those situations. We do have some additional staffing to try and deal with that. Last year at Sequoia King's Canyon there were 15 arrests of individuals who were cultivating marijuana gardens within the park's boundaries. It is obviously a situation where we need to work very closely with the DEA and with other law enforcement agencies, as well as use our increased staffing for this.

Senator FEINSTEIN. Thanks for being on top of it. I appreciate it. I very much appreciate your cooperation and your responses. Thank you so much.

Secretary NORTON. Thank you, Senator.

Senator FEINSTEIN. Thanks, Mr. Chairman.

Senator BURNS. Thank you, Senator Feinstein.

I am going to send a whole bunch of questions down there for you. We will work our way through this thing one way or the other.

Working with you is a delight anyway, and I appreciate your patience today and your appearance here.

I do have an announcement just for the record. The Department of Energy hearing is canceled for next week, but our next hearing will be with the EPA folks, Senator Feinstein. That will be on April 14.

Senator FEINSTEIN. Thank you.

Senator BURNS. We will get those schedules out to the rest of the members of this panel.

#### ADDITIONAL SUBCOMMITTEE QUESTIONS

Again, the record will be left open, and if you would respond to those questions for the record, I would certainly appreciate that.

Secretary NORTON. Thank you, Mr. Chairman.

Senator BURNS. Thank you and thank you to your good staff. You have wonderful staff. They have been very cooperative in working our way through this. I certainly appreciate that too. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing.]

#### QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

##### STATE ASSISTANCE ("STATESIDE") PROGRAM

*Question.* Your budget request proposes to zero out the Stateside program, which provides grants to states for recreation development and land acquisition. The rationale seems to be that the program does not have adequate performance measures, and might be viewed as more of a state or local responsibility.

Can you elaborate on the reasons for your proposing not to fund the program?

*Answer.* As the Administration strives to reduce the Federal deficit, focusing on high-priority direct Federal responsibilities is imperative. The reduction in State Conservation grants will allow NPS to focus on park activities while helping to reduce the deficit.

*Question.* Does your request represent a temporary reduction from the Administration's point of view, or are you proposing to terminate the program?

*Answer.* Budgets are prepared on an annual basis. Funding availability changes, priorities are reevaluated, and other factors differ from year to year. The Administration proposes that the State Conservation grants program receive no new grant money in fiscal year 2006. Funding in fiscal year 2007 and beyond will be determined as part of the regular budget formulation and review processes that precede those budgets.

*Question.* In tight budget times I'm the first to admit that we need to focus on the primary responsibilities of the Federal government. I note, however, that other state grant programs escaped the budget knife. The State and Tribal Wildlife Grant program, for example, is increased from \$69 million to \$74 million. One could certainly argue that management of fish and game not listed under the ESA is a state responsibility.

Can you explain the disparate treatment of these two programs?

*Answer.* The U.S. Fish and Wildlife Service's State and Tribal Wildlife Grant program directly supports the Service's mission of working with others to conserve, protect and enhance fish, wildlife, and plants and their habitats; and is an important component of the Department's cooperative conservation initiative. The long-term goal of the State and Tribal Wildlife grant program is to stabilize, restore, enhance, and protect species and their habitat that are of concern—this includes listed, at risk, and other species. A significant number of species currently protected under the Endangered Species Act (ESA) reside, for all or a portion of their lives, on private lands. Additionally, many more species living on private lands are either at risk or potentially at risk of being listed under the ESA. Through the State and Tribal Wildlife grant program, the species and their habitats that are in the most need of conservation benefit. These efforts help the nation avoid the costly and time consuming process that occurs when a species' population plummets and needs additional management protection through the Endangered Species Act and other regu-

latory protections. Since many issues related to wildlife conservation are not contained by jurisdictional or administrative borders, the program also helps to ensure that the Fish and Wildlife Service and the States coordinate efforts to conserve threatened and endangered species, manage migrating birds, and prevent other species from becoming listed on the Endangered Species list.

All States are nearing completion of their Comprehensive Wildlife Conservation Plans. These plans will have prioritized lists of conservation actions that will help States stabilize or increase their wildlife populations in a strategic, cost-efficient manner that is based on sound science. In order to ensure that species are benefiting from the conservation actions, all States will have in place strong monitoring programs. Because of this focus on local input, prioritization of actions, and monitoring, the Department is confident that the funds requested for this program will generate significant on-the-ground results.

In contrast, the National Park Service's LWCF State grants program funds improvements to State and local parks that are more appropriately funded through State funding. Furthermore, a PART review in 2003 found that this program could not measure performance or demonstrate results.

#### PRESERVE AMERICA

*Question.* Your budget once again includes funds (\$12.5 million) for a new "Preserve America" program to provide grants to communities to develop heritage tourism.

As you know, there is already intense competition for funds in the arena of historic preservation and heritage programs. States and tribes—charged by Congress with administration of the Historic Preservation Act—are seeking additional funds to maintain current operations and allow for new tribal programs. Congress last year authorized three new heritage areas, and has many more proposals pending. The Save America's Treasures program is highly competitive. And we now have targeted, authorized programs for Historically Black Colleges and California Missions, with other legislation pending.

Why do we need to create another new program in this arena?

*Answer.* Preserve America embodies the Administration's commitment to heritage tourism and historic preservation as economic engines capable of driving local and regional economies. The Administration's fiscal year 2006 budget request of \$12.5 million for Preserve America grants, which is only one component of the Preserve America initiative, would offer a new type of Federal preservation funding that would support local, state, and tribal heritage tourism initiatives, promotion and marketing programs, and development of directly related interpretive and educational programs.

Federal preservation funding needs to evolve to reflect the increasingly important role that historic preservation and heritage tourism will play in community economic revitalization in the 21st century. Since the 1980s, increasing numbers of communities have begun rehabilitating their historic downtowns, encouraging reinvestment in their communities. Communities are also using preservation to encourage heritage tourists to visit (and spend their money). These trends are creating new jobs and new revenue while preserving the historic properties that help give communities their unique sense of place and history.

Despite the growing importance of preservation and heritage tourism to community revitalization throughout the country, no nationwide Federal assistance is focused specifically on this issue. Other programs are much broader in scope—such as the historic preservation grants-in-aid to States and Tribes—or much narrower—such as programs for Historically Black Colleges and Universities. The Save America's Treasures program funds critical "bricks and mortar" projects, but not creation of management strategies and partnerships for linking preservation with heritage tourism. Funding for National Heritage Areas does address such issues, but is restricted to a limited number of discrete geographic areas. Preserve America Grants will fill a void by directly assisting communities nationwide in using and promoting their historic assets in ways that will spur economic development. In addition, Preserve America grants would place special emphasis on significant and creative private-public partnerships that could serve as models to communities.

*Question.* What is the Federal role that isn't currently being fulfilled?

*Answer.* Tourism is a key ingredient in the national economy, and a significant component of many local economies. It is the third largest retail sales industry, amounting to about \$528.5 billion in 2002. Tourism is also one the Nation's largest employers, with 7.2 million direct employees and nearly 10 million indirect employees. Heritage tourism, including visiting historic sites and museums, ranked third among tourism activities and destinations, following shopping and outdoor activities.

Nationally, in 2005, annual revenues from cultural and heritage tourism are expected to reach \$200 billion.

While we readily recognize that historic preservation contributes to heritage tourism, which in turn contributes to the economy, it is also important to recognize that the effects are circular: heritage tourism is a very important contributor to the preservation of the nation's historic resources. In many cases, the anticipated revenues from heritage tourism become the economic engine that drives the initial investment in preservation and rehabilitation of those historic resources that will become tourism destinations. By focusing on this circular effect, Preserve America grants will strategically carry out the National Historic Preservation Act mandate that the Federal Government will "use measures, including financial and technical assistance, to foster conditions under which our modern society and our prehistoric and historic resources can exist in productive harmony and fulfill the social, economic, and other requirements of present and future generations."

The Administration's Preserve America grants will assist local, State, and tribal jurisdictions to capitalize on this new economic reality. The Federal Government can play a critical role by providing seed money to support planning, development, implementation, or enhancement of innovative activities and programs in heritage tourism, adaptive reuse, and "living history" programs that can be replicated across the country. The Administration's proposed Preserve America grants would provide needed program incentives and the investment opportunities to produce such local models.

At a time when State and local governments, including counties and municipalities, are bearing much of the State fiscal difficulties, local tourism in general and heritage tourism in particular can help local governments develop their own revenue streams through sales and bed tax revenues and other indirect income derived from the tourist service economy. This economic value also translates into more, improved historic preservation activity and appreciation for the Nation's history as well as its heritage resources. The grants would also help other levels of government with important program start-up funds and the related tools they need to improve their efforts.

*Question.* Why are Preserve America grants proposed to be distributed through a new national grant-making structure, as opposed to being administered by the state historic preservation offices?

*Answer.* It is appropriate to target Federal investment in this new program through a nationally-competitive approach, rather than through the State allocation formula. While the formula for allocating annual operating funds to State Historic Preservation Officers is an appropriate and effective method of assistance for those State functions set out in the National Historic Preservation Act, the Federal Government has often recognized that specifically targeted preservation efforts—such as grants to Historically Black Colleges and Universities, or the Save America's Treasures grants—are more effectively focused through a centralized program. Preserve America grants fall under the category of specifically targeted efforts that will benefit from a focused national competition.

Both State Historic Preservation Offices and Tribal Historic Preservation Offices are proposed among eligible applicants for Preserve America grants, in addition to designated Preserve America Communities and Certified Local Governments seeking Preserve America Community designation.

#### FINANCIAL AND BUSINESS MANAGEMENT SYSTEM (FBMS)

*Question.* The Department is in the midst of a major acquisition for its Financial and Business Management System. While we haven't given you 100 percent of what you've requested for this project, our investment to date is very substantial.

My fundamental question is what steps are you taking to ensure that this major system acquisition doesn't wind up like so many others in government, which is to say in the trash can?

*Answer.* The Department has used a planning and implementation process that is guided by investment control processes, put in place a governance process and management structure to ensure adequate oversight, monitoring, risk management, and test and user acceptance.

First, the Department undertook an extensive planning process that modeled the current business processes (as is) and sought bids for design and deployment of an off-the-shelf system that would provide the Department with a system that meets its needs. Selection of a contractor followed an exhaustive and thorough evaluation of alternatives and full review and acceptance of a business case.

The Department's project lead managers evaluated the projects completed by the contractor and made site visits to the Commonwealth of Pennsylvania. The man-



agers evaluated the deployment of software by other Federal agencies to gain knowledge about best practices and gain understanding of potential risks.

Once a contractor was selected, the Department put in place a governance structure for project decisions based on evaluation of risk. A full-time project management office was put in place to maintain continued project management. Deployment to bureaus of modules would be subsequent to testing and user acceptance. The Department contracted with an independent verification and validation IV&V contractor to provide oversight for the project, put in place a change management process, and created operational environments in which to develop, test, and operate the system.

The project has a strong governance structure including an Executive Steering Committee of senior bureau business leaders and the Department's Chief Information Officer. They oversee the project and take management actions necessary to ensure that the investment benefits will be realized.

#### ICON SECURITY—U.S. PARK POLICE

*Question.* Madam Secretary, for several years now we have been working with the U.S. Park Police to ensure that the funds we provide them are properly managed, and that the organization itself has a clear mission. This is more important than ever given the role the Park Police plays in protecting some of our icon parks.

Can you give us a status report on these efforts? What changes have been made and what changes are underway?

*Answer.* In August 2003 the Department directed a comprehensive internal effort to complete the task of clearly defining the mission, priorities, and responsibilities of the Park Police. Shortly after this internal review began, the House Appropriations Subcommittee on Interior and Related Agencies requested NAPA to follow up on its 2001 recommendations and again assess USPP's mission and functions, the priorities and resources assigned to them, and the feasibility of adjusting current functions. Because this essentially became a parallel effort, the Department closely coordinated with NAPA, realizing that it was critical to incorporate NAPA guidance in our final efforts. NAPA's new methodology for assessing USPP operations and establishing priorities for USPP functions was of immense help in providing answers to significant budget and management concerns.

Working closely with the NPS Deputy Director, the Acting USPP Chief, and NAPA, the Department has completed a thorough mission review. Implementation of the principle recommendations concerning mission clarification, responsibilities, and priorities are well underway. Many of the other NAPA recommendations are also completed, while some have made significant progress, but remain ongoing. The Department is continuing to follow up on all NAPA recommendations that are not yet completed. The internal review, Report to the Secretary, U.S. Park Police Mission Review, dated December 17, 2004, was provided to the Subcommittee and includes a detailed report on each NAPA recommendation.

*Question.* Have we made it to the point where we're less likely to be surprised by mid-year reprogramming requests, or by actual force levels that don't match budget forecasts?

*Answer.* We have reached the point where the Park Police can manage its Force and its finances at a high level of expertise. This confidence is realized by the work of the Park Police during the Department's mission review and the selection of Dwight Pettiford as the permanent Chief of the U.S. Park Police. Chief Pettiford, who was the acting Chief for about a year, was instrumental in helping to bring the Park Police mission review and operational priorities of the Park Police to closure. We also hired an experienced Chief Financial Officer for USPP in October 2004 who will assist the Chief to better manage the budget. The Department will also continue a high level of commitment into the future, helping the Park Police to finalize the remaining NAPA recommendations; reviewing and implementing the draft USPP Strategic Plan, which is under review by the NPS; reviewing the USPP draft staffing model upon its completion; and providing specific guidance for the 2007 budget formulation cycle.

#### RECREATION FEE PROGRAM

*Question.* Last year in the omnibus appropriations bill Congress extended the recreation fee program on a long-term basis. I fought this move along with other members of this subcommittee because I believed the authorizing committees of jurisdiction were the appropriate bodies to deal with this legislation. But we did not prevail.

You are aware, Madam Secretary, that there is still some disagreement out in the land about whether fees are appropriate, on what activities they should be collected, and how the collections should be spent.

Are there things in last year's authorization bill that will help address some of these concerns? How will the new program be different than the fee program as it has existed for the past several years?

Answer. The new Act provides for a nationally consistent interagency program with clear criteria for determining appropriate sites eligible for applying recreation fees, additional on-the-ground improvements to visitor services at recreation sites across the nation, a new national pass for use across interagency Federal recreation sites and services, and more public involvement in the program. Unlike the Fee Demo Program, which provided broad authority to charge fees, the Act specifically limits fees to sites that have a certain level of development and meet specific criteria. The Act includes additional safeguards against unwarranted expansion of the program by creating Recreation Resource Advisory Committees in every state or region and providing other public participation opportunities.

Implementation of a well-run and streamlined recreation fee program that maximizes benefits to the visiting public is a top priority for the Departments. On December 17, nine days after FLREA was signed into law, the interagency Recreation Fee Leadership Council (Fee Council) convened and approved an Implementation Plan. The Fee Council, whose members include officials of both Departments, was created in 2002 to facilitate coordination and consistency among agencies on recreation fee policies. Our Implementation Plan includes the creation of a Steering Committee to oversee day-to-day implementation, as well as several technical working groups for each of the key areas. The Fee Council created the following technical working groups:

- National Pass Working Group
- Fee Collection/Fee Expenditure Working Group
- Public Participation/Recreation Resource Advisory Committees (RAC) Working Group
- Communications Working Group

The Implementation Plan sets forth preliminary implementation timelines by identifying short-term, medium-term, and long-term tasks and designates staff with the lead responsibility to accomplish those tasks. The working groups are drafting guidance, developing detailed action plans, and discussing key issues to ensure compliance with the new law. One of the short-term tasks of the Fee Collection/Fee Expenditure Working Group is to ensure that all sites that charge recreation fees conform to the infrastructure and other requirements of the new law. Although this review continues, the following are examples of sites that have already made changes to their fees under FLREA:

- Gavin's Point National Fish Hatchery (FWS) no longer charges an entrance fee.
- Arapaho National Recreation Area (Forest Service) no longer charges an entrance fee for the entire area, but may charge a standard amenity recreation fee at localized developed sites.
- At Imperial Sand Dunes (BLM), recreation fees for two overlooks and a trailhead were eliminated.
- Quake Lake Visitor Center and Lewis and Clark Visitor Center (Forest Service) no longer charge for children under 16 years of age.

Implementation efforts that will require longer timeframes to implement include establishment of RACs and the implementation of the America the Beautiful Pass. Successful implementation requires that we provide opportunity for public input. The RAC Working Group will need to closely coordinate on the nominations process with states, counties, and the numerous recreational, tourism, and other groups interested in serving on the RACs.

A number of factors have led us to set a target date of 2007 for the America the Beautiful Pass, such as an interest in conducting "listening sessions" to provide public input on the pass, conducting marketing surveys, and developing a process for fulfillment and marketing proposals. We also are taking into consideration the long lead time needed for certain aspects of the pass, such as the image competition. We believe the America the Beautiful Pass has tremendous potential to provide visitors with a seamless visitor experience, allow interesting and creative partnerships with communities on visitor facilities and services, and educate visitors about the tremendous recreational opportunities on our Federal lands.

We look forward to working with any interested parties and Congress as we move forward to implement this very important program.

*Question.* Beyond the requirements of the law, what other steps are you taking to ensure that the Department doesn't overreach in charging fees, and that the fee money itself is spent in the most beneficial and appropriate way?

Answer. The Departments view the passage of FLREA as the beginning of an important opportunity to create a sensible, visitor friendly, efficient recreation fee program. FLREA creates a dynamic program that we intend to implement in a way which will respond to lessons learned and build on success stories.

We want to ensure that fees only are charged where enhanced visitor facilities or services are provided and that a majority of the fees are reinvested into visitor facilities and services at the site. Toward this end, we not only are implementing the explicit safeguards against unwarranted expansion found in FLREA, but also are developing guidance and processes that take into account specific agency and site differences. The agencies are working together to draft specific guidance, develop detailed action plans, including timelines, and discuss key issues.

One of the short-term tasks of the Fee Collection/Fee Expenditure Working Group is to develop guidance on where fees may be charged and spent to enhance the visitor experience. Such guidance should work in concert with existing systems in the agencies that identify priorities and needs. For example, NPS has put in place a facility management system that "grades" facilities and other assets based on a facility condition index (FCI). Similarly, BLM is implementing the Facility Asset Management System (FAMS) to plan and track facility-specific maintenance needs and costs, to prioritize and monitor maintenance activities, and to prevent a recurrence of maintenance backlogs.

We also understand that the public participation provisions in FLREA are a key component to creating a visitor-friendly recreation fee program. The Public Participation/RAC working group is developing detailed guidance to ensure the public is provided with opportunities to participate. In developing the RACs, we will closely coordinate on the nominations process with states, counties, and the numerous recreational, tourism, and other groups interested in serving on the RACs.

We have begun providing opportunities to participate during the implementation phase of FLREA. In addition to responding to a number of specific inquiries on implementation, the National Pass Working group has hosted two "listening sessions" to provide the public and members of the recreation community with an opportunity to share ideas about the implementation of the America the Beautiful Pass. We anticipate keeping the public informed and seeking input on the implementation process through additional stakeholder meetings, Congressional briefings, and web postings.

#### RELOCATION COSTS

*Question.* I note from the budget justifications that you are more tightly managing various "contingency accounts". The National Park Service notes that relocation costs accounted for 25 percent of its contingency account expenditures in fiscal year 2004, for a total of close to \$5 million. This is a significant amount.

Has the Service or the Department recently reviewed its policies and procedures with an eye toward reducing relocation costs?

Answer. Each year the National Park Service's Accounting Operations Center prepares an Agency Relocation Cost and Management Data analysis that is submitted through the Department to the Office of Management and Budget (OMB).

The Department has undertaken a review of current relocation policies and practices with an eye to improving effectiveness and efficiency. Thus far we have examined the current practices, policies and costs, and are considering policy changes to the relocation service contract: the time allowed employees to conduct house hunting, the duration of temporary quarters, and the duration allowed for household goods storage.

*Question.* If not, why not? If so, what changes have been made and what results have those changes had?

Answer. The National Park Service complies with the relocation policies in Chapter 302 of GSA's Federal Travel Regulations. The costs of relocation have been rising in recent years, especially with respect to the "homesale program" and "temporary quarters". Home values in major metropolitan areas have appreciated by as much as 300 to 400 percent in the last few years, increasing NPS costs for the homesale program. Large portions of the relocation program are fixed as a percentage of the value of the house.

NPS managers pay the relocation costs of employees when they successfully compete for a park position in another location. In many cases, parks are limited in being able to fill positions in cases when the best (or only) candidate is too expensive to relocate.

The NPS, in conjunction with GSA policy, offers an incentive to employees to sell their own home, thus decreasing the expense to the agency. Employees who sell their own home receive an incentive that is the lesser of 5 percent of the value of

their home or the difference between the appraised and amended value of the home. This typically results in expenses to NPS that are between 4 and 9 percent less than if a contractor sells the home. With regard to covering temporary quarters and subsistence expenses, the NPS encourages employees to make advance house-hunting trips, enabling the NPS to limit the length of time employees reside in temporary quarters to 30 days. The Department plans to pursue its examination of options to reduce costs through the changes to relocation policies and practices.

#### SAFECOM AND DISASTER MANAGEMENT

*Question.* Last year this subcommittee prohibited the Department from transferring funds to implement the government-wide SAFECOM and Disaster Management programs, though we did not prohibit you from participating in these initiatives.

What has been your involvement to date in these initiatives? Has your inability to contribute funding hampered your participation from a Departmental point of view?

*Answer.* The Department has significant involvement in SAFECOM. This includes participation in the subcommittees, drafting and recommending standards and participation in the advisory committee. Several headquarters and field staff have also attended SAFECOM sponsored event such as the Federal Partnership for Interoperable Communications. The inability to provide funding to SAFECOM has not hampered Departmental participation in SAFECOM.

For Disaster Management, the Department has initiated actions to provide emergency alert and notification messages in the Common Alerting Protocol (CAP) format, an open, non-proprietary standard data interchange format adopted by Disaster Management. Information to the public will be made available via the internet, and messages intended for other governmental users will be provided via the Disaster Management Interoperability Services (DMIS) system. The United States Geological Survey will implement CAP messaging during 2005 for earthquake notifications and for landslide and volcano advisories. Working with the Bureau of Land Management and the wildland fire community, CAP messages will be generated for a limited geographic area during 2005, with the intent of expanding coverage in 2006 as business rules for such warnings are addressed. Coordination will also begin with the Forest Service. The inability to provide funding to Disaster Management has not hampered Departmental participation in Disaster Management.

*Question.* Please provide for the record a summary of all SAFECOM and Disaster Management funding requested in the fiscal year 2006 budget for the Department, as well as a summary of total expenditures government-wide, by agency.

*Answer.* The Department's 2006 request includes a total of \$1.55 million for SAFECOM and \$680,000 for Disaster Management. Government-wide 2006 spending as reported in OMB's report for Information Technology spending for SAFECOM totals \$22.8 million and for Disaster Management totals \$12.3 million.

#### FLEET EXPENDITURES

*Question.* The Department spends some \$160 million to maintain a fleet of more than 31,000 vehicles. Last year you proposed to achieve significant savings from improved fleet management, with projected savings of \$11 million in fiscal year 2005 and \$3.7 million in fiscal year 2006.

What progress have you made toward these goals to date? Is it going better or worse than expected?

*Answer.* In 2004 the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including implementation of life-cycle replacement schedules, disposal of underutilized vehicles, disposal of vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices including an expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces. The Department's improvement plan will realize cost savings of 2-5 percent of the total budget.

*Question.* What obstacles have you encountered?

*Answer.* The dispersed nature of the Department's programs and offices and the variability in the needs for vehicles make it a challenge to implement more con-

sistent and cost-effective vehicle operations. For example, many of the Department's fleet need to be able to cover rough terrain and as a result are equipped with features such as four-wheel drive. These vehicles cannot regularly consume the most efficient fuels available, nor are they the most fuel efficient themselves. However, fleet managers are optimistic that further reductions in fuel consumption can be attained with the availability of hybrid sport utility vehicles and the expanded markets of ethanol and bio-diesel. In addition, because half of the USGS fleet is at least ten years old, efforts to reach certain fuel efficiency targets by that bureau have been prevented and it will take several years to implement a life cycle replacement program. There are also challenges related to getting favorable leasing arrangements that would allow parks and other field locations to maintain vehicles on a seasonal basis in lieu of more costly annual contracts.

#### COOPERATIVE ECOSYSTEM STUDIES UNITS

*Question.* Cooperative Ecosystem Studies Units were developed as a cost-effective means of engaging university science and training capabilities regionally to achieve Federal agency goals.

What has been the Department's experience with CESUs? Have they lived up to their promise?

*Answer.* The Department's Cooperative Ecosystem Studies Unit (CESU) Network is organized into 17 regional CESUs. Five DOI bureaus are partners in the network: NPS and USGS are partners in all 17 CESUs; the Bureau of Land Management has joined 16 CESUs; and the Fish and Wildlife Service and Bureau of Reclamation have begun to participate actively, joining 6 and 5 CESUs respectively. The Department has over 2,000 research, technical assistance, and education projects completed or underway with the over 180 CESU-affiliated universities and other partners. Many projects involve several Federal agencies working together. The reduced overhead rate, common cooperative agreement, and efficient administrative procedures have made the program cost-effective. The first 8 CESUs have gone through a careful review process, involving self-assessment, Federal managers review, and an independent review. CESUs have exceeded their initial promise, with all 8 receiving very positive evaluations. There are now 13 Federal bureaus engaged as partners with the CESU network, evidence that the CESUs are considered useful and effective by a wide range of Federal bureaus both within and external to the Department of the Interior.

*Question.* Concern has been expressed to me about universities bearing a disproportionate share of the costs of this partnership.

Are any funds available to universities for the basic cost of hosting activities, providing technical assistance, providing training, etc.? Is there merit to providing some amount for each CESU for such purposes?

*Answer.* When CESUs were established, each partner Federal bureau provided \$10,000 toward a one-time start-up fund for the host university. With the reduced overhead rate of 17.5 percent agreed to by all universities, funds for hosting activities, technical assistance and training are very limited. While there may be merit in providing funds for universities that host CESUs for these purposes, such funding should remain directly linked to the individual research, technical assistance, or education projects entered into between the Federal bureaus and universities. Such funding provides substantial return on the investment for Federal agencies—providing for increased coordination, technical assistance, training, and other necessary CESU activities.

#### PRESIDENTIAL INAUGURAL

*Question.* As is customary, the fiscal year 2005 budget for the National Park Service and the U.S. Park Police included funding for additional costs associated with the presidential inaugural.

Can you provide for the record a breakdown of these costs? Has a full accounting of the NPS/USPP costs for the 2005 inaugural been completed? How did NPS/USPP incremental expenditures for the inaugural compare to the increases provided?

*Answer.* The National Capital Region received an appropriation of \$986,000 for the inaugural. Costs incurred by the region include planning, preparation and support of the celebration. Reported costs for the inaugural and the most recent estimates of post inaugural maintenance total \$980,000:

Item	Amount
Personnel Compensation .....	\$524,759
Communications .....	4,708

Item	Amount
Supplies/Materials .....	154,898
Equipment .....	52,705
Equipment Rentals .....	12,086
Services .....	230,844

Services of \$230,844 includes \$42,000 for turf restoration on the Mall, \$27,329 for fencing, \$8,390 for telephone and IT services, \$3,125 for removal of decorations from the National Christmas Tree, and \$150,000 for lighting along Pennsylvania Avenue NHP. Costs include post-inaugural maintenance activities, including \$50,000 for replacement and repair of press risers, \$98,114 for gravel on the National Mall walkways, and \$30,000 for paving along the sidewalks of Pennsylvania Avenue NHP. Expenditures and related estimates are consistent with the funds requested and provided in the fiscal year 2005 appropriation.

The U.S. Park Police received an appropriation of \$986,000 for the fiscal year 2005 Presidential Inaugural celebration. To date, reported expenditures from this fund total \$420,054:

Item	Amount
USPP Payroll .....	\$223,325
Travel .....	16,853
Equipment .....	33,702
Other Services .....	146,174

Other Services consist primarily of funds paid to law enforcement from neighboring counties. The final costs to the USPP are not expected to exceed the \$986,000 appropriation. The USPP also received \$165,000 from the 55th Presidential Inaugural Committee specifically earmarked for the "Celebration of Freedom", and expended \$144,283 for this event. The remainder of the \$165,000 was returned to the Committee.

#### FACILITY CONDITION INDICES

*Question.* As part of your effort to implement the President's Management Agenda, I note that the Department is using facility condition indices in several of its bureaus as a tool to help prioritize capital projects.

What bureaus are currently using or developing facility condition indices?

*Answer.* The Bureau of Land Management, the Bureau of Reclamation, U.S. Geological Survey, the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs are currently using facility condition indices (FCI) to varying degrees. Currently, all bureaus are conducting condition assessments in which constructed assets have been or will be assigned an FCI. FCIs for constructed assets will be reported to the Federal Real Property Profile required by Public Law 13327 Real Property Asset Management starting in the first quarter of fiscal year 2006.

*Question.* To what degree are FCIs for individual facilities comparable across bureau lines?

*Answer.* Constructed assets can be compared across bureau lines when that constructed asset has the similar function such as housing and visitor centers. Currently, FCIs for individual facilities are not compared across bureau lines. However, the Department of the Interior's Asset Management Partnership, as outlined in the DOI Asset Management Plan (AMP), will be exploring the use across different types of assets within the various bureaus. The FCI will be used with a fully developed DOI-wide asset priority index (API) that rates each existing or proposed owned and leased asset in the inventory at a specific field unit/site based on its importance in carrying out the DOI and bureau missions and achieving strategic goals. In the second quarter of fiscal year 2006, the Asset Management Partnership will provide Departmental policy on improving the condition of the asset portfolio and properly sustaining it over asset life cycle or component life cycle.

*Question.* Would a BIA school with an FCI of .5 be in much the same condition as a National Park Service historic building with an FCI of .5?

*Answer.* The various types of constructed assets will have their own numerical scales of what is good, fair, and poor. The Asset Management Partnership will be reviewing FCI use across different types of assets across the Department.

*Question.* Are these measures currently useful in judging the condition of one bureau's assets against another, or primarily useful only for comparing assets within individual bureaus?

Answer. Currently, these measures are only useful in comparing like assets within an individual bureau. As noted in the response to the previous question, the Asset Management Partnership will be reviewing FCI use across different types of assets across the Department.

#### ARCTIC NATIONAL WILDLIFE REFUGE

*Question.* Based on what you know from past and current legislative proposals, if mineral development within the Arctic National Wildlife Refuge were to be authorized this year as proposed in your budget:

What would be required of the Department during fiscal year 2006? What would be the cost of those activities and what bureaus would likely perform them?

Answer. In answering this question, the following assumptions are made:

—The Bureau of Land Management (BLM) is the lead agency for the leasing program (e.g., BLM will be responsible for preparation of the Environmental Impact Statement during the pre-lease phase);

—Authorizing legislation would cover seismic exploration during the pre-lease phase; and

—Authorizing legislation addresses compatibility with Refuge purposes.

The following major functional tasks would be carried out prior to the first lease sale should Congress authorize energy development within the Arctic National Wildlife Refuge.

1. *Development of preliminary leasing regulations.*—After passage of authorizing legislation, and because there are currently no regulations in place for leasing in ANWR, the Department, through the BLM, would need to promulgate leasing regulations for the program. The specific content of the regulations would be contingent on the terms of the authorizing legislation. BLM has indicated that the regulations in place for leasing in the National Petroleum Reserve-Alaska (NPR-A) could serve as a template.

The process of drafting regulations would probably run concurrently with the process of drafting an Environmental Impact Statement. BLM estimates that, assuming no unforeseen delays, the final regulations would be issued prior to the lease sale.

2. *Development of Environmental Impact Statement.*—At the same time that the process of writing regulations begins, the BLM would begin the process of drafting the Environmental Impact Statement (EIS) for leasing activities. It is during the EIS process that any stipulations applicable to the leasing program would be developed. Like the leasing regulations, a template for stipulations exists from the NPR-A process, though BLM would also take into account any specific requirements of the ANWR authorizing legislation.

The minimum timeline for an EIS, from initiation to Record of Decision (ROD), is estimated at 18 months. Lawsuits related to the EIS could further delay implementation of a leasing program in ANWR.

3. *Seismic Exploration.*—Pre-lease seismic exploration, if carried out, would likely be done concurrently with development of the EIS.

4. *Post-ROD Final Preparations for Lease Sale.*—Again, using the NPR-A experience as a template, the final preparations for the lease sale would likely include the preparation by BLM of a Coastal Zone Management Consistency Determination; State of Alaska DNR review and response to that determination; then publication in the Federal Register of the Notice of Sale 30 days prior to the actual lease sale. Note that the State's response to the consistency determination must be received prior to publication of the Notice of Sale.

The minimum period of time estimated by BLM for this process, from the signing of the Record of Decision to the lease sale, is 120 days, broken down as follows:

	Days
BLM Preparation of draft CZM—Consistency Determination .....	30
BLM Internal Review of draft .....	10
State DNR review and response to draft .....	50
Publish Notice of Sale in Federal Register .....	<sup>1</sup> 30

<sup>1</sup> The Federal Register Notice requires a 45–60 day review period in the BLM Alaska State Office and the Washington Office prior to publication; this review would run concurrently with the first 90 days of these final preparations.

The lease sale would take place 30 days after publication of the Notice of Sale.

There are several places in this process where delays could result in a longer time period. For example, the State's review process for the consistency determination is actually 90 days, but the State normally agrees to shorten the review period to 50

days. Also, as noted above, the State's response to the consistency determination must be received prior to publication of the Notice of Sale.

The Department has not yet estimated the specific cost of performing these activities but expects that funding would be reallocated from other program activities as necessary.

#### BLACKFOOT CHALLENGE

*Question.* The Blackfoot River watershed is an extraordinary place, and if you haven't been there, I invite you or Ms. Scarlett to join me there this summer. A great strength of the valley is its community of citizen stewards—led by the Blackfoot Challenge. The Blackfoot Challenge exemplifies the spirit of cooperative conservation that you, the President and I are working to encourage and support.

I've been working hard to help the Blackfoot Challenge achieve its goal of conserving this remarkable place and the community that lives there. I've been pleased that the President requested funding to support this community-led initiative in both the fiscal year 2005 and 2006 Forest Service budgets. I am concerned, however, that your Department has not been supporting this project, despite the participation of local BLM and FWS officials from the get go.

Can you explain why your Department has not yet recognized the conservation opportunities that the local community, the Forest Service and the Congress have so clearly recognized? I am particularly concerned that the BLM, an agency whose mission I strongly support, has not been acting to support this project.

Can you help me understand the gap between BLM's local support and the lack of support by the Washington office?

*Answer.* The Blackfoot River Watershed Land and Water Conservation Fund LWCF project is part of a multi-phase land acquisition project. In order to implement the project, BLM is conducting appraisals, land use planning, and environmental clearances for the project. During fiscal year 2004, the Bureau carried over \$2.9 million in funding appropriated for the project. The Phase I Acquisition was completed in February 2005 with the acquisition of 2,500 acres. During fiscal year 2005, an additional \$4.9 million was appropriated for the purchase of approximately 4,000 acres. The BLM will complete the appraisal on the Phase II Acquisition by the end of fiscal year 2005, and has completed the appraisal on the Phase III Acquisition.

*Question.* Last fall FWS Director Steve Williams announced the start of planning for a conservation easement program to protect the working landscapes and natural resources of the Rocky Mountain Front. I hope this program will be a fine example of cooperative conservation by ranchers, conservationists and the Service.

When do you expect this long delayed planning effort to be completed?

*Answer.* The Front is a high-priority conservation area for the Service and its partners in the conservation community, including the State of Montana, the Boone and Crockett Club, and The Nature Conservancy, because it is the only remaining landscape in the Continental United States with a complete, intact and functional assemblage of large mammalian carnivores, including the grizzly bear, gray wolf, wolverine, and lynx.

The Preliminary Project Proposal for the Program was approved by the Service's Mountain-Prairie Regional Office in April, 2002 and forwarded to Service Director Williams for approval. The Director approved the PPP in October, 2004. This approval provided the Service's Regional Office with the authority to proceed with detailed planning to consider the establishment of the easement program. Since October, the regional planning team has met with the Montana Congressional delegation, conservation and sportsmen's groups, Federal agencies, state, and local governments, tribes, and various local business interests. The team has also held three public scoping meetings at various locations near the project area.

The Service has developed an Environmental Assessment, pursuant to the National Environmental Policy Act, to analyze the effects of establishing an easement program on the Front, and plans to issue a Finding of No Significant Impact as a result of the Environmental Assessment. These documents are currently under review for final approval by the leadership of the Service.

#### ENERGY DEVELOPMENT—FLAG GUIDANCE

*Question.* Your Department has been tasked with implementing a lot of President's Energy Plan. I applaud your aggressive efforts to encourage domestic energy production. At the same time, under your watch a Clinton-era guidance document—the so-called FLAG guidance—has continued to be used as a tool to frustrate the state permitting of critically important energy projects nationwide. In fact, Federal



land managers with jurisdiction in my state tried to stop a much-needed facility using these guidelines.

How do you justify having these internal guidelines—which were neither reviewed nor approved by the Congress—continue to frustrate energy development in the Nation?

Answer. Under the Clean Air Act, the Congress gave the Federal Land Managers (FLMs) an affirmative responsibility to protect the visibility and other air quality related values of parks and wilderness areas (i.e., Class I areas) from the adverse impacts of air pollution. One process used to meet this responsibility is reviewing permit applications for new and modified sources that may impact Class I areas under our responsibility. Under the statute, FLMs have an important role in the permit review process. It consists of reviewing permit applications in order to gauge the impact of proposed construction of major new sources (or major modifications) on Class I areas that are under the jurisdiction of FLMs, and providing comments and recommendations to the permitting authority (usually the State) on whether or not the applicant's facility could cause or contribute to an adverse impact on an air quality related value in the affected Class I area. The Federal Land Managers Air Quality Related Values Workgroup (or FLAG guidance) was designed to provide guidance to permit applicants and permitting authorities in the form of recommendations, specific prescriptions, and interpretation of results for assessing visibility impacts of new sources near Class I areas.

Both permit applicants and permitting authorities requested that the FLMs develop a consistent approach to reviewing permit applications and evaluating air pollution effects on sensitive resources. That is the primary reason why the National Park Service, the U.S. Fish and Wildlife Service, and the U.S. Forest Service, as the three Federal land managing agencies that administer the nation's Federal Class I areas, embarked on the FLAG initiative. Prior to FLAG, the different FLMs, or even administrative units within a single agency, requested different types of information and analyses from permittees. That frustrated both permit applicants and permitting authorities. However, we recognize that a review of FLAG implementation and possible changes to ensure consistency, timely decisions, and conformance with statutory authorities is warranted. By providing consistent guidance among the FLMs regarding what type of information is needed, the FLAG guidelines were intended to provide more certainty to the permit review process, and help avoid unnecessary delays in obtaining a permit to construct such facilities.

*Question.* Don't you think that these guidelines ought to be taken down, and that we should start this process over again the right way—with a notice-and-comment rulemaking?

Answer. In its current form, FLAG is a guidance document that is not legally binding on permit applicants or permitting authorities. Nevertheless, although the FLMs followed public notice and comment procedures for FLAG that were similar to a rulemaking,<sup>1</sup> the FLAG did not go through all the procedures necessary for an entity within the Department of the Interior to adopt a rule. Therefore, it does not constitute a rule. Accordingly, we are planning to initiate a process to determine whether FLAG or other guidance on this matter ought to be adopted formally in accordance with the DOI's rulemaking process and, if so, we would undertake such a process.

In the absence of FLAG, the FLMs would still need to review permit applications using the same Clean Air Act provisions and Environmental Protection Agency regulations and policies that FLAG relies on. By making the FLAG guidance available to permit applicants (including those from the energy sector) and permitting authorities, it was hoped that it would be possible to avoid delays that might result from lack of understanding of the FLM role and information needs. Because we now have more than four years of experience with draft FLAG guidance, we believe that it is appropriate to review and improve on the processes by which the FLMs review and comment on new source permits.

#### NATIONAL PARK SERVICE PARTNERSHIPS

*Question.* This Committee has been working extensively with the Department to tighten management of NPS partnerships at all levels of the Service. We absolutely want to encourage partnerships where appropriate, but want to be certain that

<sup>1</sup>For example, prior to releasing the FLAG, the FLMs announced their FLAG intentions in the Federal Register, provided a 90-day public comment period on the draft FLAG report, conducted a public meeting to hear oral comments, considered all comments and prepared a response to comments document, and made appropriate changes to the draft FLAG guidance based on public comments received.

those partnerships fit with the Service's mission and are prioritized appropriately against non-partnership projects.

One of the focal points of these discussions has been the proposed National Center for the American Revolution at Valley Forge NHP. I think we share a concern that the scope of this project be carefully considered in light of other NPS needs and future operational demands.

Can you bring me up to date as to the status of this project within the Department? Can you describe the concerns you have about this project?

Answer. The NPS continues to work extensively with the partner to develop a full understanding and compile the remaining analysis to determine when it is appropriate to request approval of this project by the House and Senate Congressional Appropriations Committees, as required. Issues to resolve include the size of the building, operational sustainability of the project, viability of the partnership and the amount of Federal investment, both capital and operations funding envisioned by the partner as necessary to help the project reach its operational revenue projections.

Within the last year, the Service commissioned a "Peer Review" of the building design and operational plans for the new ARC. This study reviewed all of the development and operational assumptions used by the partner in scoping this facility. Specific review was done of expected attendance, physical planning guidelines, financial performance outlook, transportation analysis, visitor experience, visual assessment and operating and staffing recommendations. The Peer Review recommended a building scope that would achieve all project objectives, could still be considered sustainable and was ten percent smaller than the original project being recommended by the partner. As the result of this Peer Review, the project was reduced in size to meet the Peer Review recommendations.

After this work was completed, the NPS, in partnership with ARC, agreed to complete the following analyses to fulfill the requirements under Director's Order 21 (DO21) and the new Partnership Construction Development Process:

- A fundraising feasibility study to determine the readiness of the partner to raise the required funds, probable sources of contributions and length of time required to achieve stated fundraising goals. The feasibility study is due to begin on April 14, 2005. The standard timeframe for this process is 3–6 months. If the study indicates that the funding target cannot be reached, the partners would be required to adjust the size of the project, as well as assumptions about operations of the building.
- A fundraising plan that addresses roles and responsibilities, including goals; timetable; scope; potential donors; fundraising strategies and techniques to be used; promotional or marketing strategies; donor recognition guidelines; and fundraising experience of personnel assigned to carry out the plan. An earlier version of a fundraising plan submitted to the NPS was not based on a feasibility study and failed to comply with DO21.
- An updated outline of an Operations Plan which will describe the general operations of the museum facility/collections center, including the nature and type of activities to be conducted, the respective roles of the parties, NPS rights for the use of the facilities, and the source and use of operating revenue. Operation of the facilities shall be in accordance with applicable Federal, State, and local regulations, public NPS standards generally applicable to such facilities, and other criteria described.
- An Expected Budget that will explain the budget commitments of ARC and the expected budget implications for NPS. The budget presentation will be activity based and will be designed to clearly show the involvement of both partners and their respective areas of emphasis. The budget will address the financial impact the project could have on the park in best and worst case scenarios with respect to projected park visitation, staffing, maintenance, and other factors. The budget also communicates NPS's commitment that the project not diminish existing service levels at the park. The budget will be developed to ensure that the partners themselves can make future modifications and the model will remain useful in years to come. The budget will be presented in a format suitable for communication amongst the diverse government and private stakeholders in this project.

The National Park Service will consider presenting the project to the House and Senate Congressional Appropriation Committees once this work is completed and reviewed by the Service and the Department.

*Question.* Have the project partners made adjustments in their proposal in response to the concerns expressed by the Department, or in response to concerns expressed by Congress?

Answer. In response to concerns and questions raised by the Service, Department, and Congress, adjustments have been made to the proposal and to the partnership. These adjustments include:

- Reducing the size of the facility from 131,000 square feet to the current target of 90,000 square feet.
- Compliance with the approved models for collections storage facilities and visitor centers (the museum will comprise a small orientation area, restrooms, book store, and food service area that fulfill visitor center functions).
- Participation by the partner in a Fundraising Feasibility Study which will determine the likelihood of such a fundraising venture being successful.
- Agreement by the partner not to seek funding from Congress for the project.
- Compliance with the Service's Director's Order 21 and the Appropriation Committee's requirement that the NPS seek approval from Congress.

The Service and the Department fully expect that the partner will comply with any recommendations resulting from the Fundraising Feasibility Study once completed or the project will not be moved forward.

#### U.S. GEOLOGICAL SURVEY (USGS)—LANDSAT SATELLITE MISSION/FUNDING

*Question.* The fiscal year 2006 budget includes a \$12 million request to support the current Landsat 7 satellite mission and \$7.5 million to begin system development for the follow-on mission scheduled for 2009.

Give us a brief update on the status of Landsat 7. Has a solution been found to correct the degraded data that is sent from the satellite? If not, how valuable is the data now being archived? How significantly has demand for these products diminished?

Answer. Although the imaging equipment onboard the spacecraft cannot be repaired and is still impacting the images being acquired, the Landsat 7 images collected after May of 2003 are still very useful, as demonstrated by the uses of the data to map the devastation that resulted from the recent Indian Ocean tsunami. The USGS has developed several new products since the anomaly. Users can currently order (1) pre-anomaly scenes (prior to the equipment failure), (2) post-anomaly scenes, those containing scan line gaps (non-gap filled), and (3) three variations of gap-filled products where the gaps are filled by interpolation using data from the edges of the gap, data previously collected (1 to 1½ years old) or, data from a scene collected 16 days previously. In October 2003, the USGS began selling the non-gap filled scenes and in May 2004 introduced the first of the gap-filled products. Based on input from the user community, the USGS expects these new products to appeal to users that have heretofore not purchased the post-anomaly products. Although it is taking time for the community to realize that Landsat 7 continues to collect seasonal, global data sets that can still provide accurate land-cover and land-use records, currently post anomaly and gap-filled products account for 40 percent of Landsat 7 data sales. In fiscal year 2005 the USGS expects to distribute over 6,000 Landsat 7 scenes, which is less than half of the scenes that were distributed per year prior to the anomaly. From fiscal year 2005 and forward the USGS expects income from data sales to stabilize at approximately \$3.3 million per year and fees from International Cooperators at approximately \$1.5 million.

*Question.* Describe in greater detail the Landsat Data Continuity Mission. What is the full cost of developing systems and other requirements that will be needed to accommodate data from the 2009 satellite launch?

Answer. In December 2003, a White House-chartered interagency working group concluded that the best solution for Landsat data continuity was to host a Landsat instrument on two of the planned National Polar-orbiting Operational Environmental Satellite System (NPOESS) weather satellites. The mission, renamed from the Landsat Data Continuity Mission to Landsat on NPOESS, will be the follow-on to the Landsat 7 mission. Landsat on NPOESS is intended to ensure the continued acquisition and availability of Landsat-quality data in order to provide policy-makers, researchers and the public with long-term global monitoring of the terrestrial environment.

NPOESS will converge existing military and civilian polar-orbiting weather satellite systems under a single national program. Polar-orbiting satellites are able to monitor almost the entire landmass of the planet. NPOESS is managed by a tri-agency Integrated Program Office (IPO) using personnel from the Department of Commerce, Department of Defense, and NASA.

NPOESS requires remote sensing data from three orbital planes to accomplish its mission. Each plane is identified by its longitude of ascending node (LTAN), or 13:30, 17:30, and 21:30. The NPOESS program will launch 6 (two in each LTAN) satellites over a 10–15 year period. Both of the 17:30 spacecraft will host an Oper-

ational Land Imager (OLI) that will employ a solid-state sensor and collect data in one panchromatic and eight multispectral bands (see Table 1) over the entire Earth's land surface (85° North latitude to 85° South latitude).

The USGS expects this successor to the Landsat 7 Enhanced Thematic Mapper Plus (ETM+) sensor to be operational on board NOAA's NPOESS by early calendar year 2010. While the OLI uses different sensor technology than the previous Landsat satellites, its spectral bands, combined with a rigorous calibration, will ensure continuity with millions of Landsat scenes collected and archived by the USGS over the past 34+ years.

TABLE 1.—SPECTRAL BANDS TO BE ACQUIRED BY THE OLI SENSOR ONBOARD TWO OF THE NPOESS SATELLITES

Band	Band type	Scientific applications	Heritage	Resolution m
1 .....	Coastal Aerosol .....	Useful in water studies .....	ALI/MODIS .....	30
2 .....	Blue .....	Useful for water body penetration (bathymetric mapping), distinguishing soil from vegetation, and forest type mapping.	ETM+ Band 1 .....	30
3 .....	Green .....	Useful to measure green reflectance peak in vegetation.	ETM+ Band 2 .....	30
4 .....	Red .....	Useful to help discriminate vegetation types .....	ETM+ Band 3 .....	30
5 .....	Near IR .....	Useful for differentiating vegetation types, biomass content and water/land interfaces.	ETM+ Band 4/ALI .....	30
6 .....	Shortwave IR 1 .....	Useful for looking at moisture content of soil and vegetation.	ETM+ Band 5 .....	30
7 .....	Shortwave IR 2 .....	Useful for discriminating mineral and rock types ...	ETM+ Band 7 .....	30
8 .....	Panchromatic .....	Useful as a sharpening band .....	ETM+ Pan Band/ALI ...	15
9 .....	Cirrus .....	Useful for cirrus clouds and aerosols .....	MODIS .....	30

The USGS costs for participating in the Landsat on NPOESS mission are provided in the table below. The costs are shown from fiscal year 2005 to fiscal year 2023 and include both development and operations costs.

	Fiscal year						BTC <sup>2</sup>
	2005 enacted	2006 budget	2007 <sup>1</sup>	2008	2009	2010	
USGS .....	0.75	8.20	24.15	20.24	19.14	<sup>3</sup> 22.85	299.00

<sup>1</sup> Outyear numbers are based on current program estimates and subject to change.

<sup>2</sup> BTC=Budget to Complete—includes estimates through the lifetime of the second Landsat on NPOESS mission. (fiscal year 2023)

<sup>3</sup> Fiscal year 2009 through BTC for USGS are total cost estimates only. It is expected that fees from data sales will offset a part of this cost.

#### U.S. GEOLOGICAL SURVEY (USGS)—TSUNAMI-RELATED ACTIVITIES

**Question.** In the aftermath of the 9.0 earthquake and resulting tsunami this past December, Congress is now considering a supplemental appropriations bill that includes a request of \$8.1 million for USGS. These funds will enable the Survey to procure and install additional seismic monitoring stations and also enhance the existing seismic monitoring network. The fiscal year 2006 budget request includes a proposal for an additional \$5.4 million to continue work initiated with supplemental funding, as well as to provide maintenance and staffing of new and enhanced systems.

To what extent will the Survey's earthquake detection and warning systems be improved by these investments?

**Answer.** The funding requested by the Administration for fiscal year 2005 and fiscal year 2006 will permit the USGS to accelerate and complete several key improvements and upgrades to its National Earthquake Information Center (NEIC), to the Global Seismographic Network (GSN), and to key earthquake response products. Prior to December's tsunami, USGS had begun a slow process of upgrading its 20-year-old legacy system for real-time earthquake detection and notification. The additional support will allow the NEIC to complete development and deployment of its new software system, Hydra, which enables more rapid earthquake detection and notification in tsunamagenic source areas that border the United States and its territories. Moreover, these enhancements are necessary to ensure reliable operations, performance, and long-term operational cost efficiencies.

The USGS' new *Prompt Assessment of Global Earthquakes for Response* (PAGER) system uses information about an earthquake's source (e.g., ground shaking, rupture length, depth), combined with information regarding population and infrastructure in the affected region, to estimate potential impact (both damage and loss of life) of a major ground shaking event. PAGER is ideal for both domestic and international earthquakes in areas where a dense seismic network is not available, but where a rapid assessment is critical for estimating impact. Funding for PAGER will provide for additional research scientists, technical support, and computer programmers needed to fully implement the PAGER program. The outcome of this investment will be improved algorithms for Global ShakeMaps, finite fault modeling, rapid aftershock identification and association, and loss estimation. PAGER will also allow for integration and evaluation of impact of secondary hazards such as liquefaction, landslides, and tsunamis.

The NEIC requires a full-time, 24x7 staff of seismologists to quickly respond to potentially damaging events and ensure data throughput to the National Oceanic and Atmospheric Administration (NOAA) tsunami warning centers. NEIC also requires a commensurate level of commitment to oversee the computer and network operations to ensure continuity of operations 24x7 (currently a small group of research scientists volunteer on an ad hoc basis to respond when computer systems fail in the off hours). With the requested support, NEIC will decrease reporting time for global earthquakes (currently over one hour) and reliably deliver a complete suite of earthquake products, including PAGER, within 20 minutes or less.

The Global Seismographic Network (GSN) is a critical source of seismic data for earthquake detection and tsunami warnings. The GSN is jointly supported by USGS and the National Science Foundation, with USGS responsible for operations and maintenance of approximately two-thirds of the network. Improved telemetry connections are needed so that all GSN stations provide data in real time. Other noted improvements include more frequent maintenance for enhanced uptime and expanded field recording. With the enhanced funding, telemetry upgrades will be made system-wide to improve the timeliness and accuracy of earthquake analyses for rapid response. In the Caribbean, where there is an earthquake and tsunami threat to U.S. territories, additional GSN-quality stations will be installed to adequately monitor the earthquake activity and provide rapid reports to response officials. The outcome of this investment will be a state of the art, real time earthquake detection and notification system that is both timely and robust and enables delivery of a suite of value-added earthquake information products that emergency managers want.

Software developed through the California Integrated Seismic Network (a USGS, university, and State partnership) to speed USGS-generated earthquake information directly to local emergency managers has a dual-use capability to also provide NOAA tsunami warnings. This system, designed to provide a mechanism for instantaneous transmission of seismic information, complements existing NOAA delivery mechanisms. Investment in this area will allow emergency managers to respond to earthquakes as well as tsunamis.

*Question.* How much of an additional investment would be required to optimize the system?

*Answer.* With the funding requested in the 2005 Emergency Supplemental Appropriations Act and the 2006 President's budget request, we are on our way to having an optimized tsunami warning system. The requested funding will provide software development with the National Earthquake Information Center, enhanced operations and maintenance of the NEIC including its continuous operation 24 hours a day, 7 days a week, full implementation of the Prompt Assessment of Global Earthquakes for Response system to estimate potential impact of major ground shaking event, improved tsunami warning distribution, and improved global seismic monitoring and rapid information delivery. The increased funding will also allow for the collection and assessment of the geological and geospatial information necessary to improve regional assessments of coastal areas for potential damage from a tsunami hazard. The supplemental includes \$8.1 million for these activities and the 2006 budget request includes an additional \$5.4 million for these activities. Funding in the outyears is expected to be level with the 2006 request.

*Question.* How is GS contributing to the global effort to improve coordination of early warning systems and the communication of critical data?

*Answer.* The USGS Director is providing leadership toward the development of the Global Earth Observations System of Systems (GEOSS), an international effort to develop a comprehensive, sustained, and integrated Earth observation system. The implementation plan for GEOSS was adopted at the Third Earth Observation Summit held in Brussels, February 2005. In parallel, the United States has developed a Strategic Plan for the U.S. Integrated Earth Observation System, which, like

the GEOSS plan, focuses around nine societal benefit areas, including “Reduce loss of life and property from disasters” and “Protect and monitor our ocean resources.” The USGS will work with its GEOSS partners and other international bodies (such as the UNESCO International Oceans Committee) to develop a global tsunami warning system.

As part of the President’s “Disaster Management” e-Government Initiative, one of 24 initiatives established by the President’s Management Council, the initiative’s Web site is linked to USGS disaster information Web sites to ensure that the most current USGS research results and data are available to organizations and citizens as part of the initiative’s effort to make better use of information technology (IT) investments and to reduce government response time to citizens.

In addition, the USGS is exploring the feasibility of earthquake early warning, in which rapid computer analysis and communication links are used to provide seconds of warning before earthquake waves arrive (much as is done for tsunami waves on a much longer time scale). Such warning systems are in place in Japan, Mexico, and Taiwan. The 2000 reauthorization of the National Earthquake Hazards Reduction Program (NEHRP) called for development of a U.S. early warning system for earthquakes. The USGS would implement early warning as part of a fully implemented Advanced National Seismic System (ANSS). The USGS sponsors modest research and development in this area. The largest unmet need for early warning is station density. In addition, prototype software requires significant effort to become fully operational.

*Question.* What lessons has GS learned that might be applied in our own country to better protect our citizens living in potentially hazardous areas?

Answer. The tsunami disaster of December 26, 2004, has resulted in increased awareness of tsunami and earthquake risk in Alaska, Hawaii, California, the Pacific Northwest, the Caribbean, and even the eastern U.S. seaboard. Seismic monitoring systems need to be upgraded in these areas if they are to serve as sentinels for tsunami warning. USGS is strengthening regional seismic networks in California, Alaska, Oregon and Washington through the Advanced National Seismic System (ANSS) modernization. In addition, USGS partners with National Oceanic and Atmospheric Administration (NOAA) through the National Tsunami Hazard Mitigation Program to strengthen coastal seismic networks in those states and Hawaii. Moreover, it is clear that education and training are critical, both for public officials and emergency responders, and for the public at-large. In the Pacific Northwest, USGS scientists work together with state and local emergency managers in presentations to coastal communities on tsunami hazards. USGS has also developed publications for public awareness and maintains a popular Web site with information on tsunami and earthquake hazards. USGS recently partnered with the Cascadia Regional Earthquake Working Group to produce a scenario examining the impacts of a magnitude-9 earthquake off the coast of the Pacific Northwest. This document will help policy-makers and the public understand and address the hazard. Even with networks and warning systems in place, if people do not know how best to respond to a warning (or a felt shaking of the ground), its value is greatly diminished.

#### U.S. GEOLOGICAL SURVEY—MINERALS RESOURCES REDUCTION

*Question.* A \$28.5 million reduction is proposed for minerals research and assessment activities. Programs to be discontinued include the collection of comprehensive basic geologic, geochemical, geophysical and mineral deposit data for the nation; the USGS-led internationally coordinated global mineral resource assessment to provide predictions of worldwide distribution of undiscovered deposits of critical metallic and nonmetallic mineral commodities; and the elimination of 20 mineral commodity reports a year.

Does any other government entity have responsibility for the functions now being performed by the Minerals Resources program? If GS discontinues much of its work in this area, will there be a central organization to collect, interpret and disseminate this information to the public?

Answer. This reduction was a difficult decision based on funding priorities and budget constraints. The Administration chose the Minerals Resources Program for reduction because the research is lower priority as compared to other USGS programs and because the expertise to continue this work exists with State geological surveys, and in universities. The Administration believes that if the work being eliminated is of high importance to private industry or States, they could pick up the work, in partnership agreements.

*Question.* Why wouldn’t the collection and distribution of this data be considered an inherently governmental function?

Answer. Inherently governmental functions are usually classified as functions that are so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government. Governmental functions normally fall into two categories: (1) the act of governing, i.e., the discretionary exercise of Government authority, and (2) monetary transactions and entitlements. An inherently governmental function also involves, among other things, the interpretation and execution of the laws of the United States.

In the case of the minerals resources program, the USGS is providing a service of collecting and distributing minerals assessment data. The Administration does not believe that this activity classifies as being inherently governmental and that this service can be performed by non-Federal entities.

*Question.* Given the fact that competition for the importation of mineral resources is expected to increase significantly as emerging industrial nations such as China enter the world market, why wouldn't it be considered in our national interest to develop and maintain this data?

Answer. There are many worthy programs that the Administration would like to support, but cannot support in the current budget climate. We believe that the expertise and interest exist outside the Federal government to develop and maintain this data.

*Question.* The proposed program reduction in minerals resources would result in a reduction-in-force of approximately 240 currently occupied positions at an estimated cost of \$30,000 per person—in other words, \$7.2 million total. There is no provision for the payment of these costs, while at the same time a reduction of \$1.7 million in savings resulting from office closures in locations throughout the country is assumed.

How does the Department propose to cover the costs that GS will incur with this RIF? Some of the employees within the minerals resources program are under union contract; what impact would this have on the cost and implementation of a RIF?

Answer. Reduction in Force costs will be covered within the USGS. Using a cost estimate of \$30,000 per position abolished and a separation date of October 1, 2005, costs are estimated to be at least \$7 million. USGS is revising this estimate and will provide a firmer estimate as soon as possible. USGS and the Department are looking at Voluntary Separation Incentive Program/Voluntary Early Retirement Authority (VSIP/VERA) options and the ability to place affected employees in other positions when possible to soften the impact of the RIF.

#### MINERALS MANAGEMENT SERVICE—ROYALTY IN KIND PROGRAM

*Question.* In the last several years, the Minerals Management Service (MMS) has greatly expanded its use of the Royalty-In-Kind (RIK) authority. Currently, over 80 percent of the oil production from the Gulf of Mexico is taken "in kind" in order to fill up the Strategic Petroleum Reserve (SPR).

When do you expect SPR to be filled up this year?

Answer. As of January 2005, DOE anticipated the SPR reaching its 700 million barrel capacity in July/August 2005. DOE will provide an update to MMS on the anticipated fill date in mid-May 2005.

*Question.* After SPR is filled, does the agency plan to continue to take the bulk of its Gulf of Mexico royalty production "in kind" rather than "in value?"

Answer. We anticipate that the royalty production committed to the current SPR program will convert to an RIK commercial program this fall, assuming continuation of favorable economic conditions and receipt of fair market value in the MMS RIK crude oil program.

*Question.* In the fiscal year 2005 Interior appropriations bill, the Committee expanded the agency's RIK authority to allow the MMS to recover the direct costs for running the program from the proceeds of oil and gas taken in kind. This was designed to enhance your ability to use the RIK authority.

Why has this authority been proposed for elimination in the fiscal year 2006 budget?

Answer. Appropriations language as proposed in the fiscal year 2006 President's Request is not inconsistent with the goals and objectives as outlined in the Five Year Royalty In Kind Business Plan that was issued in May 2004.

*Question.* Would continuing this authority be useful in running the program at full capacity?

Answer. No, this authority is unnecessary. The fiscal year 2006 President's Request includes \$9.8 million in funding for the Royalty In Kind Program. This level of funding provides the resources necessary to carry out the goals and objectives of

the Program. In addition, discretionary funding for these activities will better ensure proper oversight and accountability in the program.

OFFICE OF SURFACE MINING—SMCRA REAUTHORIZATION

*Question.* As it did last year, the Office of Surface Mining budget includes a \$58 million increase which is tied to the Administration's proposal to reauthorize the Surface Mining Control and Reclamation Act (SMCRA). SMCRA expires on June 30, 2005, and with it the ability to collect additional fees.

How would the administration's proposal on SMCRA alter the way the program is run currently?

*Answer.* The Administration has not at this point submitted a reauthorization proposal to Congress. However, our budget request for fiscal year 2006 includes a grant increase of \$58 million to support legislation that would accomplish the primary goals of the legislation from last year. These goals were:

- A fee extension for a period sufficient to collect funds to address the current inventory of health and safety coal related problems.
- Expedited payment of the current unappropriated balances to certified states and tribes.
- Change in the allocation of future collections to focus more resources on reclamation of high priority coal related health and safety problems.
- An overall request that fits within the mandatory and discretionary spending limits assumed in the President's budget.

*Question.* Do you expect the authorizing committees to have acted on a bill by the time SMCRA expires?

*Answer.* It is important to note that only the fee collection authority in SMCRA expires on June 30, 2005. All other aspects of the Act remain in force. We are working very closely with Congress to develop a mutually acceptable bill that does not polarize individual stakeholders. We have seen some progress in our efforts and are hopeful that we will see such a bill before June 30, 2005.

*Question.* If there is a period of time during which SMCRA lapses, what will be the impacts on carrying out the AML program?

*Answer.* Only the fee collection authority would expire on June 20, 2005. In the short term, there would be no immediate impact, since we have an appropriation for fiscal year 2005, and there is an unappropriated balance in the AML fund (\$1.668 billion as of September 30, 2004). However, over the longer term, we estimate that at least \$2 billion worth of high priority coal-related health and safety problems will remain with no identified funding source to address them. This means that at least 2 million people living within one mile of such a hazard will remain at risk.

Assuming approximately the same level of appropriations as in recent years:

- Within two years, funds dedicated to states based upon need (i.e., funds allocated under Section 402(g)(5)) would be exhausted.
- Also within two years, funds in the Federal operating account described in Section 402(g)(3) will be exhausted. This allocation is used to fund federally managed reclamation in non-primacy states and tribes, state managed emergency reclamation, federally managed emergencies in non-primacy states and in those states that do not manage the emergency program, minimum program supplements, the Small Operator Assistance Program (SOAP), The Clean Streams Program Watershed Cooperative Agreements, and Federal operations.
- Beginning in fiscal year 2008, funds would be distributed based on unappropriated state and tribal share balances, without consideration of need. Approximately 50 percent of these funds are for certified states and tribes that have certified that they have no remaining coal problems.
- An unappropriated balance of \$330 million will remain in the Rural Abandoned Mineland Program (RAMP) account, a program that has not been funded for nearly a decade.

Should the fee expire on June 30, 2005, OSM will take immediate steps to protect the health and safety of citizens. While the Clean Streams Program, SOAP, and Watershed Cooperative agreements are all valuable programs, we consider them to be lower priority than the emergencies that are funded from the same allocation. Thus, we will provide no further funds for these programs after June 30. The funds saved will be redirected instead to partially fund another year of emergency work.

It should be noted that the administration has proposed a rule pursuant to Section 402(b). This rule will allow us to collect a fee sufficient to make a deposit to the Combined Benefit Fund equal to the interest earned on the AML fund.



## MINERALS MANAGEMENT SERVICE—HURRICANE IMPACTS ON OIL PRODUCTION

*Question.* The 2004 hurricane season was an unusually active one. Hurricanes Charley, Ivan and Frances caused extensive damage in Florida and in the Gulf of Mexico where most of the nation's offshore oil and gas production is located.

What were the impacts from these storms on production output?

*Answer.*

*Hurricane Ivan (9/11/2004–2/14/2005)*

- Of the approximately 4,000 structures and approximately 33,000 miles of pipelines in the GOM, 150 platforms and 10,000 miles of pipelines were in the direct path of Hurricane Ivan.
- Destroyed 7 platforms and caused significant damage to 24 other platforms.
- Numerous pipelines were damaged, mostly by mudslides at the mouth of the Mississippi River.
- Initially, industry evacuated over 545 platforms and shut-in approximately 1.4 million barrels of oil and approximately 6,515 MMCF of gas production per day. The shut-in oil production was equivalent to approximately 83 percent of the approximately 1.7 million BOPD in the GOM production. The shut-in gas production was equivalent to approximately 53 percent of the approximately 12.3 BCFPD in the GOM.
- Within 2 weeks on September 27, 2004, industry had only 31 platforms evacuated and shut-in approximately 490,000 barrels of oil and approximately 2,350 MMCF of gas production per day.
- On November 1, 2004, industry had only 9 platforms still evacuated (not counting 7 destroyed structures) and shut-in approximately 224,000 barrels of oil and approximately 905 MMCF of gas production per day.
- As of February 14, 2005, industry still had 9 platforms evacuated (not counting 7 destroyed structures) and shut-in approximately 126,000 barrels of oil and approximately 147 MMCF of gas production per day.
- Cumulative shut-in oil production for the period of 9/11/04–2/14/05 was 43,841,245 bbls, the equivalent of 7.246 percent of the yearly production of oil in the GOM, which is approximately 605 million barrels.
- Cumulative shut-in gas production for the period of 9/11/04–2/14/05 was 172.259 BCF, the equivalent of 3.871 percent of the yearly production of gas in the GOM, which is approximately 4.45 TCF.

*Hurricane Frances (9/3/2004–9/7/2004):*

- Cumulative shut-in oil production was approximately 62,000 barrels, the equivalent of 0.015 percent of the yearly production in the GOM which is approximately 605 million barrels.
- Cumulative shut-in gas production was approximately 118 MMCF, the equivalent of 0.003 percent of the yearly production of gas in the GOM which is approximately 4.45 TCF.

*Tropical Storm Bonnie and Hurricane Charley (8/10/2004–8/13/2004):*

- Cumulative shut-in oil production was approximately 1.3 million barrels, the equivalent of 0.21 percent of the yearly production of oil in the GOM which is approximately 605 million barrels.
- Cumulative shut-in gas production was approximately 4,100 MMCF, the equivalent of 0.0922 percent of the yearly production of gas in the GOM which is approximately 4.45 TCF.

*Question.* Are we back at 100 percent capability?

*Answer.* While technically not back at 100 percent, the production level has virtually returned to normal, and additional new platforms have added capacity and are now producing.

*Question.* Have you included any necessary funding in the fiscal year 2006 budget request to ensure that MMS has the necessary resources to make sure we get back to full production capacity and maintain it in the Gulf?

*Answer.* Yes. MMS is conducting engineering studies to examine the precise structural forces that were experienced by the platforms during Hurricane Ivan. MMS received \$500,000 from Congress in fiscal year 2005 to contract technical studies of the impacts of Hurricane Ivan. Competitive award proposals for these studies are being prepared and are close to being awarded. MMS has met on several occasions with industry to discuss the impacts of Hurricane Ivan on the platforms, pipelines and drilling rigs. Various committees have been established to review specific standards and technical issues. On July 26–28, 2005, MMS and industry will co-sponsor a workshop to further review the committee reports and review possible modification to industry and MMS standards and identify further research needs.

## FISH AND WILDLIFE SERVICE—COURT ORDER ON WOLVES

*Question.* A recent court order by the Federal district court in Portland, Oregon reversed the Fish and Wildlife Service's decision to "downlist" the gray wolf from "endangered" to "threatened" in the Western and Eastern United States. As you know, in Montana the state has worked hard on a plan for wolf management that will allow for landowners to deal with wolves that prey on livestock. The FWS approved that plan.

Will the court's decision to classify wolves as endangered affect the ability to deal with wolves who are harassing and killing livestock in Montana?

*Answer.* No. The Oregon ruling did vacate both the 2003 reclassification to threatened status and the accompanying new regulations under section 4(d), which allowed for management of problem wolves due to its threatened status. However, section 10 of the ESA does provide other avenues for the management of listed species, including the "take" of individuals of endangered wildlife species. In Montana, we will use two different mechanisms, one for wolves in the northern part of the state, and one in the south. Wolves in southern Montana are part of a "nonessential experimental population," a classification that allows for more active management than is usual for endangered species. In 2004, we promulgated a special rule (under section 10(j) of the ESA) for the experimental population area; this rule provides for management of depredating wolves, and was not affected by the Oregon court's ruling. Experimental populations under section 10(j) afford more regulatory flexibility for population reintroductions. In northern Montana, previous to the 2003 final rule, the Service implemented a 1999 interim wolf control plan through the Regional Director's section 10(a)(1)(a) permit. This permit provides for the control of depredating wolves, and will be used to manage wolves in northern Montana.

*Question.* Is the Department of the Interior planning to appeal this ruling?

*Answer.* The Department has asked the court to clarify the ruling. Until the court responds, the Department is considering all options, including appealing.

## FISH AND WILDLIFE SERVICE—STATE WILDLIFE GRANTS

*Question.* I see that the proposed budget request for fiscal year 2006 includes an increase of \$5 million for the state wildlife grant program. This program funds the development and implementation of state conservation plans. The deadline for each state to have its plan completed is October 1, 2005.

Do you expect all the states to meet this deadline?

*Answer.* Yes. The Service expects all 50 States and 6 territories to have plans completed by October 1, 2005. The Service has in place technical assistance teams to provide guidance and assistance to our State cooperators for their plans. The purpose of these teams is to ensure that the Service has provided all of the possible resources to our cooperators to allow them to successfully prepare their plans.

*Question.* In working with the states are you pleased with the quality of the plans that they are developing?

*Answer.* Yes. Judging from early drafts of the plans and from our interaction with the States in meetings and conferences, we are pleased with the quality of many of the plans. Good examples are North Carolina and Alaska that have both put out for public comment draft Plans that appear to be of very high quality.

*Question.* One of the major reasons the sage grouse was not listed was that many states that had populations of sage grouse had conservation plans in place to manage for the protection of the grouse. Do you feel that having the conservation plans developed under the state wildlife grant program can prevent future listings by putting in place conservation strategies for other species?

*Answer.* We hope that conservation efforts resulting from the State Comprehensive Wildlife Conservation Plans will make listing unnecessary for many species. We recognize, however, that some of the State plans may not address all of the taxa that can be listed under the Endangered Species Act (ESA) (e.g. insects and plants) due to differences in their various legislative authorities. We strongly support the development of the State Plans, as they are a crucial starting point for planning and implementing individual conservation efforts that can reduce or remove threats to species to the point that listing will not be necessary. It is important to note that the nature and timing of conservation efforts implemented under the State plans, rather than the plans themselves, will be a key factor in whether listing is unnecessary for a given species.

## MINERALS MANAGEMENT SERVICE—USER FEES

*Question.* The budget request for MMS includes a number of new fees for services for which the agency currently does not charge. The fiscal year 2006 budget esti-

mates that the agency will collect \$13.5 million of these new fees. I understand that with oil at over \$50 per barrel the big companies can probably afford a few new fees, but my concern is the small producer.

Has the Department considered the impact of these new fees on smaller producers?

Answer. The rulemaking process requires MMS to assess the impact of any proposals on small business. In addition, comments received through the Advanced Notice of Proposed Rulemaking (ANPR) and proposed rule process will be considered. Through the commenting process, MMS is expecting companies of all sizes to provide us information on how proposed fees will impact their business operations.

*Question.* Could these new fees have an impact on the incentive for some operators to develop additional production capacity?

Answer. These fees are too low to have a measurable impact on operator incentives. The proposed fees would be a tiny percentage of the estimated gross revenue realized by the operators on the OCS. The Department has published an ANPR in order to provide stakeholders an opportunity to comment on the fiscal year 2006 cost recovery proposal. Any comments regarding the impact of fees on small producers will be taken into consideration during the rulemaking process.

*Question.* Would you consider waiving these new fees for smaller operators?

Answer. The MMS will carefully consider public input during the rulemaking process and may reduce fees for small operators if warranted.

#### MINERALS MANAGEMENT SERVICE—5-YEAR PLAN

*Question.* I understand that you will soon begin work on the next 5 year plan as required by the OCS Lands Act. The 5 year plan specifies the size, timing, and location of areas to be leased for Federal offshore oil and natural gas. Currently, most of the offshore areas in the United States are under moratoria which prevent exploration and development.

With oil at over \$50 a barrel and the reliability of foreign sources more in question, does it make sense to continue to keep such vast areas off limits to oil and gas development?

Answer. The Administration continues to support executive withdrawals through 2012.

*Question.* During the development of the next 5 year plan will the Department have the legal authority to at least analyze the oil/gas potential of areas that are covered by the moratoria so that we know the extent of the production capacity that we are forgoing?

Answer. The Department has the legal authority to assess resources anywhere on the OCS. In fact, it is done on a periodic cycle. The current information is from the 2000 National Assessment. The 2005 National Assessment is being prepared with projected publication in 2006.

#### BUREAU OF LAND MANAGEMENT—WILD HORSE AND BURRO PROGRAM

*Question.* Secretary, as you know, we have grappled with the Wild Horse and Burro program for a number of years. Rapidly increasing costs and the inability of the adoption program to keep pace with the number of animals being taken off of Federal lands was crippling the Bureau. Last year as a result, I worked with my colleagues on both sides of the aisle to enact Sec. 142, which sets parameters to sell some of the animals.

Some have argued that these horses will go to slaughter, but it has always been my belief that a very small percentage of animals sold, if any, would face this fate. It is my understanding that these sales have begun moving forward and the bulk of the animals have been sold to “white-hat” buyers looking to offer an alternative to the adoption program.

Could you update us on the sale program and illustrate how the Department has attempted to ensure the horses are sold into acceptable circumstances.

Answer. In carrying out sales, the BLM has focused its outreach efforts on horse advocacy groups, Tribes, humane organizations, and other groups and individuals that have shown a demonstrated interest in providing for the welfare of the animals. This approach is consistent with the 1971 Wild Free-Roaming Horses and Burros Act, which declared these animals to be living symbols of the Western spirit. The Bureau has been highly successful in finding good homes for the horses and burros it has been selling; the agency, however, temporarily suspended sales and deliveries on April 25 in response to two incidents involving the commercial processing of horses that had been re-sold or traded after being bought from the BLM.

The BLM has examined options for reinstating the sales program, while reducing the risk that recently purchased “excess” animals would be sold for commercial proc-

essing. BLM recognizes that any assurances for humane treatment and care must be obtained from purchasers prior to sale. After sale, animals are no longer afforded the protections of the Wild Free-Roaming Horses and Burros Act.

The BLM will strengthen the language in the Bill of Sale, as follows:

The Bill of Sale will be revised to create enforceable conditions. These additional provisions are intended to reduce both the potential and incentive for purchasers or subsequent owners to sell the animals for slaughter.

Specifically, a notice and citation to 18 U.S.C. Section 1001 will be added to the Bill of Sale. Section 1001 provides that it is a crime to make a false representation in any statement in any matter within the jurisdiction of a Federal agency. This provision will read as follows: "Purchaser may be subject to criminal penalties, if in this Bill of Sale he/she knowingly and willfully falsifies, conceals, or covers up a material fact; makes any materially false, fictitious, or fraudulent statement or representation; or otherwise violates 18 U.S.C. § 1001." This provision could support a prosecution of the purchaser if it could be proven that at the time of sale the purchaser intended to send the animals to slaughter or made other false statements.

The Bill of Sale will also be modified to include language that reads as follows: "Purchaser agrees to provide humane care to the listed wild horses(s) and/or burro(s)." This provision will replace the statement of intent in the existing Bill of Sale. This provision will be further strengthened by stating: "Purchaser agrees not to knowingly sell or transfer ownership of any listed wild horse(s) and/or burro(s) to any person or organization with an intention to resell, trade, or give away the animals(s) for processing into commercial products. Prior to selling or transferring ownership, Purchaser agrees to verify that the subsequent purchaser does not intend to make these horses or burros available for commercial processing."

BLM is committed to ensuring that wild horses sold will be placed into appropriate homes. Individuals wanting to purchase horses are screened using the following qualifications to help determine their suitability for providing a good home for the adopted horse.

Qualifications reviewed are:

- Status or affiliation with group or organization or buying as an individual.
- Number of animals requested.
- Number of acres available for these animals, including the type of forage and kind of facility.
- Individuals' experience with horses or livestock.
- Experience with wild horses, including knowing their behavior.
- Individual responsible for the care of the animals, buyer or another person.
- Ownership of the land where the animals will be kept.
- Financial ability to care for the animals.
- Intended use for the animals.
- BLM checks records for past compliance problems.
- Also, all buyers are asked to promise not to sell to anyone who would sell the animals to a commercial processing plant.

*Question.* What other reforms to the program is the Bureau examining?

*Answer.* BLM is assessing the current program to determine if reforms need to be made. BLM is also working with other partners to ensure proper treatment of wildhorses and exploring methods of better managing the horses. Included are the following:

- Assessment of the sale process to ensure BLM is in compliance with the direction of Congress to sell certain excess wild horses and burros.
- Enhancing exposure of the wild horse and burro adoption program through national, regional, and local advertising campaigns.
- Partnering with organization and groups to establish education opportunities about wild horse and burro habitat and the adoption program.
- Testing a pilot project at adoptions by offering individuals that have adopted one animal a "buddy" animal at a reduced fee.
- Closing one long-term holding contract.
- Continuing to work with the National Wild Horse and Burro Foundation to increase efficiency in the adoption program. Examples include the California Volunteer Pilot Project and looking at the overall marketing of the wild horse.
- Continuing to research and apply population level fertility control.
- Continuing to research on population census techniques.
- Exploring methods to increase adoption success by examining ways to gentle additional animals.

## BUREAU OF LAND MANAGEMENT—SOUTHERN NEVADA PUBLIC LAND MANAGEMENT ACT

*Question.* The Administration's proposal to take 70 percent of the proceeds from Southern Nevada Land sales is raising some eyebrows in this subcommittee, and my colleagues from Nevada have been fairly open with their opinions of the idea.

Could you explain the Administration's rationale for reallocating 70 percent of the funding from this program to the general treasury, as opposed to continuing to implement the program as currently enacted in law?

*Answer.* The receipts generated from SNPLMA land sales have far exceeded what was anticipated when SNPLMA was enacted. As a result, the available funding has outpaced land acquisition needs, and many more projects than originally anticipated are being formulated without the accountability of further consideration by the Congress. The Administration's 2006 Program Assessment Rating Tool review of BLM's implementation of SNPLMA determined that these funds are increasingly being dedicated to local projects rather than Federal priorities only.

The budget proposal would not change the amount of revenue currently provided to the State of Nevada General Education Program or to the Southern Nevada Water Authority, only the portion dedicated to Federal spending in Nevada. The sale revenues deposited in the special SNPLMA account, and thus available for Federal projects in Nevada, would be reduced from 85 percent to 15 percent. This proposal serves the general taxpaying public while still providing about four times the level of spending in Nevada as originally anticipated in 1998. With projected 2006 collections of \$917 million approximately \$292 million will be spent in Nevada, including \$160 million for Federal projects and \$132 million for State share. The remainder would be deposited in the General Fund of the Treasury to assist with deficit reduction and to ensure that Federal taxpayers benefit from the sale of these Federal assets.

*Question.* In your deliberations on this issue, did you consider retaining a portion of these revenues for beneficial purposes beyond Nevada's borders, as opposed to simply shipping it to the Treasury?

*Answer.* The Department of the Interior budget is but one piece of a much larger consolidated Federal Budget, in which anticipated revenues offset proposed spending. As such, the SNPLMA land sale receipts that will now be deposited in the General Fund of the Treasury do support the programs and projects of a multitude of Federal departments and agencies that will provide benefits both within and beyond Nevada, even though the nexus between these programs and the SNPLMA revenues is not readily transparent in the President's Budget documents.

## BUREAU OF LAND MANAGEMENT—SAGE BRUSH/SAGE GRASS INITIATIVE

*Question.* In your fiscal year 2006 budget request, you once again ask for a large increase in the BLM, in this case \$3.6 million, for sage brush and sage grouse activities.

Could you outline how the sage brush initiative is being implemented, and the success the Department has had, or expects to see in spending these sums of money?

*Answer.* During 2006, the BLM will continue to focus on implementing actions outlined in both National and State-level BLM Sage-grouse Habitat Conservation Strategies. These strategies were developed in close cooperation with State-led sage-grouse conservation planning efforts and are designed to complement these conservation plans.

The BLM is requesting additional funding for implementation of BLM's National Sage-grouse Habitat Conservation Strategy, which has been developed and is being implemented in cooperation with State-led sage-grouse conservation plans.

The National Sage-grouse Strategy is the framework to address the conservation of sage-grouse and risk to sagebrush habitats on lands and activities administered by the BLM. The document identifies the resources and specific actions to be included in individual BLM State Office strategies and/or plans and outlines methods to address the risk to sage-grouse and sagebrush habitats at various scales. The Strategy provides for a comprehensive national approach, while providing for local solutions to address the range-wide variability and complexity of managing sage-grouse and sagebrush habitat. BLM's National Sage-grouse Strategy is designed to deliver a substantial Federal contribution to cooperative conservation efforts that are being led by state wildlife agencies throughout the range of greater sage-grouse in the West.

BLM designed this National Sage-grouse Strategy around four main goals. Included with these four main goal areas are a series of specific strategies and actions that will support implementation of each goal. Each action identifies responsible offices and time-frames for completion. The four goals are:

(1) Improve the effectiveness of the management framework for addressing conservation needs of sage-grouse on lands administered by the BLM.

(2) Increase understanding of resource conditions in order to prioritize habitat maintenance and restoration.

(3) Expand partnerships, available research and information that support effective management of sage-grouse habitat.

(4) Ensure leadership and resources are adequate to continue ongoing conservation efforts and implement national and state-level sage-grouse habitat conservation strategies and/or plans.

In 2006, the additional funding will be used to accelerate habitat inventory for sage-grouse and other sagebrush dependent species such as pygmy rabbits, another species of conservation concern in the sagebrush biome. To help identify and prioritize restoration needs, BLM plans on expanding inventories for noxious weeds, treating additional noxious weeds, completing additional vegetation treatments to benefit sage-grouse habitat quality, reduce degradation from expanding juniper woodlands into sage-grouse habitat, and increasing the acres of habitat monitored by approximately two million acres.

*Question.* Do you feel the Department is making headway in saving habitat and this will result in preventing an endangered species listing?

Answer. BLM's commitment to conserving sage-grouse and sagebrush habitat pre-dates petitions to list the grouse, and accomplishing this through partnerships would be our approach regardless of the listing decision. The announcement in January by the Fish & Wildlife Service that the greater sage-grouse does not warrant listing under the Endangered Species Act specifically mentions the crucial role of cooperative efforts and local working groups. In commending cooperative efforts to maintain and improve sagebrush habitat, the FWS noted the importance of continuing to develop and implement conservation plans and strategies across the sage-grouse's range. The decision not to list the sage-grouse was never seen as the end to cooperation but seen as a new beginning.

By identifying resources, management actions, and methods for assessing various risks to sage-grouse and sagebrush habitats, the Strategy brings together sound science, the BLM's three decades of experience in sagebrush management, and the successes we've already achieved with our partners. Through continued cooperation during the coming year and beyond, BLM hopes ensure conservation and recovery of sagebrush ecosystems resulting in healthy and productive landscapes across the West.

Between 2000 and 2004 BLM treated almost 1 million acres of sagebrush to the benefit of sage-grouse. Surveys and monitoring are completed in coordination with State agencies and other partners to understand the health and trends of sage-grouse populations and habitat. BLM continues to work on regional-scale analyses throughout the range of sage-grouse.

*Question.* Can you assure us that your outreach to states, communities and affected parties remains a top priority?

Answer. BLM believes that the best solution for conserving sage-grouse is to continue cooperative efforts among Federal, state and local partners to preserve sagebrush habitat.

Throughout the process of developing the National Strategy for Sage-Grouse Habitat Conservation, BLM felt that the key to success was not prescriptive policies or top-down edicts—but rather, partnerships at the local level, where there is on-the-ground, up-to-the-minute knowledge, as well as a remarkable commitment to restoring and conserving sage-grouse.

Cooperation with local partners is the platform for applying science, experience, and commitment to making a difference for sage-grouse and their habitat.

The BLM is committed to this approach of working with partners at all levels to restore and conserve sagebrush habitats on the public lands and sees a no more effective way to bring about the sustained, broad-scale, multi-state, multi-jurisdictional action that is required to ensure habitat and species conservation now and long into the future.

#### BUREAU OF LAND MANAGEMENT—RANGE IMPROVEMENT FUND

*Question.* I noticed with concern the Administration's request to eliminate the Range Improvements Fund. As you know, this funding source is used for grassland management, riparian area repair and preventative maintenance and noxious weed control. The budget proposes shoe horned the \$10 million in activity into already tight budget categories.

In light of the Department's claims of addressing ongoing range degradation issues, and its call to spend additional money on range habitat for endangered spe-

cies, could you explain the rationale behind eliminating the Range Improvement Fund?

Answer. Part of the Administration's strategy for reducing the Federal deficit is to rein in mandatory spending, such as the Range Improvement Fund, and where possible and merited, to continue to perform this work with discretionary funding that can be adjusted from year to year based on changing needs and priorities.

*Question.* Can you assure the subcommittee there would be no reduction in work performed if the account was eliminated?

Answer. The BLM will continue to fund these range improvement projects in 2006, but will do so through its Deferred Maintenance program and Cooperative Conservation Initiative programs in the Management of Land and Resources account. Specifically, the budget estimates that \$7 million in base Deferred Maintenance program funding and \$3 million of the \$6 million increase requested for CCI will be targeted to high priority range improvement projects.

Other aspects of the 2006 BLM budget request also emphasize the importance of rangeland health and productivity. For the second year in a row, BLM is proposing a significant increase in funding to support an aggressive plan of sagebrush conservation and restoration. The 2006 budget includes an increase of \$7 million, which builds on a \$2.7 million increase provided in 2005. Of the requested \$7 million increase, \$3.4 million will be matched by partner contributions under the Challenge Cost Share program. Maintaining and improving the health of the sagebrush habitat to ensure viable sage-grouse populations are critical to the continued multiple use management of these lands, including grazing.

Invasive weeds also damage the health and productivity of rangelands. The 2006 BLM budget includes increases of at least \$1.3 million to address weed management on BLM-administered lands. Of this \$1.3 million, \$1 million is in the Challenge Cost Share program, and will therefore be leveraged with non-Interior funds to treat additional acres.

#### BUREAU OF LAND MANAGEMENT—RURAL FIRE ASSISTANCE

*Question.* I must express my displeasure that the Department has proposed eliminating the Rural Fire Assistance program administered by the BLM. The budget justifies this cut by arguing that the Forest Service and FEMA have similar programs. I must point out that the Forest Service account for State and Local fire assistance was cut by \$22 million, and the FEMA assistance to fire fighter's grant fund was cut \$100 million from the enacted level.

Can you explain the rationale for eliminating this program in light of what appears to have the making of another horrific fire year?

Answer. The Department of Interior reviews its programs to ensure they are meeting stated goals and objectives, and carefully evaluates results to determine whether the program addresses the stated goals. A recent national study by the National Association of State Foresters found that the almost 14,000 fire departments surveyed were almost as likely to rank basic wildland firefighting training as high in priority as basic structural firefighting. Recognizing the importance of training to departments that support DOI fire suppression activities, the 2006 budget proposal shifts emphasis from providing funds to local fire departments for equipment and basic training to developing and delivering training to RFDs to strengthen initial attack and develop the extended attack capabilities of RFDs. Under the 2006 ready reserve budget proposal, which is funded with a \$1.9 million increase in Preparedness, DOI will train 1,000–2,000 firefighters each year and equip them with personal protective equipment. This ready reserve will enhance long-term recruitment of RFDs, supplement the volunteer roster, and reduce risk to local communities by creating a resident, highly-trained wildland fire workforce. Communities will benefit by having skilled cadres of local firefighters available to reduce the loss of property and natural resources. More wildland fires will be contained at a smaller size, reducing the reliance on costly Federal and contract firefighters, thereby supporting fire suppression cost containment.

The Department recognizes the risk of catastrophic fire to communities, particularly with record mountain snowpack lows in much of the West. The 2006 budget continues to emphasize the importance of hazardous fuels reduction with a \$9.8 million increase over the 2005 enacted level.

*Question.* Can you explain the interaction the Department has had with FEMA and the Forest Service to ensure that the reductions in these programs will not hurt our preparedness for wildland fire place local firefighters at risk?

Answer. The Department is currently in discussions with FEMA, the Forest Service and the National Association of State Foresters to rewrite an existing MOU to focus on providing information to FEMA on wildland firefighting needs and prior-

ities, formalize DOI participation in peer review of FEMA awards, enhance website collaboration, and cooperate more closely conducting grant workshops. The various FEMA grant programs offer flexibility to meet both structural and wildland fire service needs. Through this collaboration, we expect small departments previously served by the RFA program to successfully compete for various FEMA grants. In addition, DOI is conducting grant-writing sessions to further enhance small RFDs' chances of success.

The Department recognizes the constraints on the various Federal grant programs and appreciates the level of collaboration offered by our colleagues at FEMA. We look forward to both finalizing the MOU and increasing the portion of fire grants going to wildland firefighting in the future.

*Question.* Finally, can you outline for us the overlap in these programs and illustrate that ongoing needs will be met, and these local entities will receive training and equipment specific to wildland fire needs?

*Answer.* The RFA program is administered by all the DOI Wildland Fire Management bureaus and targets small communities with populations less than 10,000 near DOI-managed lands. Funds are used for the purchase of wildland fire equipment and tools, communication devices, wildland fire training, and community prevention and education activities. Grants must be matched with a 10 percent cash or in-kind contribution. The program supports RFDs that protect not only communities but also natural resources on DOI-managed lands.

The Forest Service Volunteer Fire Assistance (VFA) program also targets small communities with populations less than 10,000. Funds may be used for the purchase of equipment, training programs, and assistance in organizing fire departments, and must be matched dollar-for-dollar. The program also supports protection of communities and resources from catastrophic wildland fire.

The Forest Service State Fire Assistance (SFA) program benefits virtually all aspects of State Foresters' fire programs, from community wildfire planning and fire prevention to suppression and hazardous fuels treatments. State resources established and maintained with these funds are important resources that can be shared between States and with Federal land management agencies. Emphasis is currently on fire response planning and training in wildland fire suppression tactics and the Incident Command System used nationally for all emergency response actions, and will shift to a greater emphasis on community-based wildland fire mitigation. Funds must be matched dollar-for-dollar.

The DHS-FEMA Office of State and Local Government Coordination and Preparedness (SLGCP) operates a one-stop shop for homeland security funding, which includes the Assistance to Firefighters Grant program (AFG) as well as other grant programs targeted to prepare the nation for acts of terrorism. The primary goal of AFG is to provide assistance to meet fire departments' and nonaffiliated EMS organizations' firefighting and emergency response needs. The program seeks to support organizations that lack the tools and resources necessary to protect the health and safety of the public and their emergency response personnel with respect to fire and all other hazards they face. Grants may be used for training, equipment, PPE, wellness and fitness, modifications to facilities, or acquiring firefighting vehicles and apparatus. Grants are matched on a sliding scale: 5 percent for populations served that are fewer than 20,000, 10 percent for populations between 20,000 and 50,000, and 20 percent for populations over 50,000.

Departments that traditionally applied for RFA grants are eligible to apply for grants from both the Forest Service and FEMA. The grants may be used for the purchase of wildland fire training and PPE. DOI is conducting grant-writing sessions to further enhance RFDs' chances of success, as well as providing information about the other programs they may be eligible for. Finally, the 2006 budget recognizes the importance of our RFD partners with the \$1.9 million ready reserve proposal that would offer both wildland firefighter training and personal protective equipment to 1,000–2,000 firefighters each year.

#### BUREAU OF LAND MANAGEMENT—CONSTRUCTION

*Question.* I notice that once again the administration has proposed reducing funding for BLM construction. We had increased the program to \$11.5 million in last year's act, however, the proposal before us suggests \$6.5 million meets the needs of the Bureau's 261 million acres. By my calculation, that is less than two and a half cents per acre for construction needs.

Can you honestly testify before us that BLM's total construction need for 261 million acres is a total of \$6.5 million?

*Answer.* The BLM supports the President's budget and notes that the amount requested will continue to reduce the backlog of construction projects in the Five Year



Plan. The funds will be used to construct those projects that are ranked the most critical for BLM's needs.

*Question.* Can you provide a breakdown for the Committee of the construction accounts of all the Department's bureaus and agencies and compare the request level with the number of acres the agency oversees?

Answer. The information follows:

[Dollars and acres in millions]

Agency	2006 requested construction funding	No. of acres administered
BLM .....	\$6.5	262.0
FWS .....	19.7	96.0
NPS .....	324.3	88.0
BIA .....	232.1	<sup>1</sup> 56.0
BOR .....	337.2	8.4

<sup>1</sup> Trust lands.

It should be noted that no direct correlation exists between construction needs and the number of acres administered by the Bureaus. Construction needs encompass a wide range of projects to protect, enhance, and manage Interior's resources, such as, irrigation facilities, visitor centers, recreation facilities and trails, and BIA schools, to name just a few.

#### BUREAU OF INDIAN AFFAIRS—BUDGET REORGANIZATION

*Question.* Recently the BIA has proposed restructuring its budget structure to match program components that have been found in multiple areas. I have heard from tribes that are concerned that the new structure makes it harder to account for Tribal Priority Allocations (TPA) and that it appears the line between regional offices and the headquarters office will blurred even further.

Can you assure us that you will fully consult with the tribes prior to implementing any element of the new budget structure?

Answer. The BIA has consulted with tribes regarding the Bureau's proposed restructured budget during regular meetings of the BIA/Tribal Budget Advisory Council. This consultation is expected to continue.

*Question.* Can you report back to the subcommittee on the progress of these consultation sessions?

Answer. The Tribes recognize that the restructured budget simplifies the justification of BIA programs and clearly ties programs to the Strategic Plan and performance measures.

#### BUREAU OF INDIAN AFFAIRS—GAO AUDIT OF BIA IRRIGATION

*Question.* In November I requested GAO work with the BIA Irrigation program to examine ongoing management concerns, specifically related to repair and maintenance schedules. Unfortunately, most of our Indian irrigation infrastructure is in serious disrepair. This is a top priority for Montana.

Can you assure us that the Department will work in good faith with the GAO to ensure all information necessary to complete this audit is provided as quickly as possible?

Answer. The BIA central office, regional offices and agency irrigation project staff are providing GAO any information it requests in a prompt manner. GAO has visited the Rocky Mountain Region (Billings, MT) and the Crow Irrigation Project (Crow Agency, MT) as part of GAO's design phase. A sample of the documents BIA has submitted to GAO include irrigation deferred maintenance cost estimates, general irrigation project information and statistics, listings of BIA personnel involved in irrigation projects, and water users names.

*Question.* Has the Department implemented any internal reforms to address the ongoing communication problems between headquarters and the regional irrigation offices?

Answer. The BIA Central office personnel have made concerted efforts to work closer with the regions and project offices. The BIA central office is also sharing information, providing training on annual budget preparation and annual deferred maintenance, and developing project operating instructions.

BUREAU OF INDIAN AFFAIRS—TRIBALLY CONTROLLED COMMUNITY COLLEGES AND  
OTHER EDUCATIONAL FACILITIES

*Question.* I have continually voiced my strong support for the Tribally Controlled Community Colleges, and I continue to believe they have been a resounding success in helping our native communities. Despite the headway we have made in prior years, your request reduces funding for TCCCs by almost \$10 million. Additionally, your budget request slashes Johnson O'Malley grants which provide assistance to public schools with Indian students, and you cut Education Construction by almost \$90 million.

With well over \$100 million in cuts to Indian Education programs, can you explain the Administration's commitment to helping Native American children receive the training and tools to better their communities?

*Answer.* One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood. The 2006 BIA education budget represents a continued commitment to the future of American Indian youth and supports the President's commitment to "leave no child behind." The \$521.6 million request for elementary and secondary school operations will support 184 schools and dormitories serving over 47,000 Indian children. The \$232 million request for school education construction will continue to replace, repair and maintain schools in the BIA system to provide Indian students a safe and nurturing place to learn. The \$43 million request for Tribal Colleges and Universities operating grants will provide \$3,500 per Indian student. When BIA funding is combined with grant funding from the Department of Education, TCUs will receive over 40 percent more in revenue from those two Federal sources than an average community college receives per student from all sources. BIA funding also provides scholarship funding for Indian students to attend Indian or non-Indian schools. The total BIA education request of almost \$800 million is geared toward improving student performance and furthering the education of Indian children to enrich their lives and the future of their communities.

*Question.* Tribal colleges have shown time and time again their value in educating tribal community leaders and providing students the ability to expand their economic options. Do you believe these programs are a waste of money?

*Answer.* The education provided by tribal colleges and universities is important in multiple ways. Curriculum is designed to meet the needs of the local economies, respect the culture and mores of the sponsoring Tribe, and provide students ways to maximize their potential and fulfill educational dreams. TCUs serve Tribal members in remote areas, offer educational opportunities to the community at large and open students to the larger realm of education.

*Question.* Why do Indian Education accounts take the bulk of the cuts in the Department of the Interior's request before Congress?

*Answer.* The 2006 BIA budget requests almost \$800 million for education programs for pre-kindergarten through college. Funding reflects the capability of Education programs to effectively and efficiently use resources to meet the goal of leaving no child left behind.

During the President's first term, over \$1.1 billion was invested in Indian School construction. This funded 27 replacement school projects and 28 major facilities improvement and repair projects. We are comfortable with this year's education construction program level because there are currently 25 replacement schools in the planning and design process or under construction. Eleven of these schools will be completed in 2005 and 2006. Funding at higher levels than requested for 2006 would exceed our ability to prudently manage the construction program.

The President's budget eliminates \$5.2 million in the BIA budget for UTTC and CIT. However, the President requests \$7.5 million funding in the Department of Education budget under the Tribally Controlled Postsecondary Vocational and Technical Institutions Grant program. The UTTC and CIT are the only institutions eligible for grants under this program. The Department also worked with the Department of Labor to ensure that tribal colleges benefit from the new community college assistance program. We are also looking for opportunities where UTTC and CIT may have a role in training BIA and OST employees.

The President's budget reduces funding for Johnson O'Malley grants because it is duplicative of funding available to public schools in the Department of Education budget. The Dept. of Education budget includes over \$150 million in funding specifically targeted to Indian students attending public schools. Public schools with Indian students also receive over \$500 million, or about 55 percent, of impact aid funding from the Dept. of Education.

## BUREAU OF INDIAN AFFAIRS—DETENTION CENTER FUNDING

*Question.* I applaud the ongoing efforts of the Departments of Justice and Interior to increase their funding of Native American justice facilities. In my own state the detention facilities are in terrible disrepair.

Your budget for Facilities Improvement and Repair includes the Blackfeet Detention Center as one of its 3 major projects for fiscal year 2006. I'm happy to see this, but must say the dedication to these types of facilities comes a bit late.

Can you outline the Department's plan of action to address the sad state of our detention facilities?

*Answer.* The BIA has developed a multi-level plan to address detention center issues in Indian Country. In an effort to improve oversight of detention centers, BIA has established the position of Associate Director of Corrections within the Office of Law Enforcement and Security, Supervisory Detention Specialists have been placed in each district, and a program analyst has been directed to monitor OLES funds. The 2006 BIA budget includes a \$16.7 million increase in funding to: (1) staff, operate, and maintain detention facilities built with Department of Justice funding which will be certified for occupancy in 2006, (2) outsource detention of inmates to local jurisdictions where BIA facilities do not comply with national standards, and (3) begin a comprehensive program to improve and repair detention facilities owned by the BIA.

*Question.* Can we expect to see a cohesive plan from the Department that addresses the need to rebuild or repair these facilities throughout the West, and specifically in my state of Montana?

*Answer.* The BIA has initiated a comprehensive plan to address the correction of deficiencies at all BIA owned or operated detention centers. The plan is being implemented under the Bureau's Public Safety and Justice Construction program.

The action plan has been implemented in collaboration with Regional and Agency facilities staff and Office of Law Enforcement Services personnel. In fiscal year 2005, BIA initiated a validation of conditions reported in Facilities Management Information System (FMIS) at all detention centers. Using the updated information, the Bureau prioritized detention center Facilities Improvement and Repair (FI&R) projects under Public Safety and Justice Construction program based on reported health and safety needs.

In fiscal year 2005, BIA FI&R projects at Havasupai Law Enforcement center (AZ) and Spokane Law Enforcement Center (WA) will address all life safety and building codes deficiencies to bring them in line with national detention center standards. BIA is currently evaluating the needs at Macy Law Enforcement Center (SD), Turtle Mountain Detention Center (ND), and Blackfeet Detention Center (MT) to determine the scope of projects necessary to bring these facilities up to national standards. Multiple smaller FI&R projects are currently underway at Bureau detention facilities to correct critical health and safety deficiencies. Projects include abating environmental hazards and remedying building code violations.

At the proposed 2006 funding level, BIA expects to address and correct all deficiencies at BIA owned or operated detention center facilities by 2010.

## BUREAU OF INDIAN AFFAIRS—INDIAN CLAIMS SETTLEMENT

*Question.* I notice the Claim Settlement account sees another fairly drastic reduction from the prior year level. It is my understanding that the amount requested fulfills the government's responsibility in fiscal year 2006.

Can you confirm the budget request level fully funds government's responsibility for claims in fiscal year 2006?

*Answer.* Yes, the fiscal year 2006 President's budget request for Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians account fulfills the Government's responsibility for fiscal year 2006.

## BUREAU OF INDIAN AFFAIRS—TRIBAL PRIORITY ALLOCATIONS

*Question.* Recently the Supreme Court ruled that tribes have not been fully reimbursed for contract support on self-determination contracts they have entered into with the Indian Health Service and Bureau of Indian Affairs.

Can you give us a short synopsis of the Supreme Court Decision and how it impacts the Department of the Interior?

*Answer.* Because the Supreme Court emphasized that Indian Self-Determination and Education Assistance Act agreements are, in affect, procurement contracts, the Leavitt case has the potential to significantly impact the manner in which the DOI articulates its obligation to pay contract support costs in such agreements. The De-

partment is still assessing what specific changes may be required in BIA contract administration as a result of this case.

*Question.* How will past shortfalls be accounted for?

Answer. The Department has not yet arrived at an opinion of how the decision will retroactively impact contract support cost obligations. The issue is currently under consideration. The Department will keep the committee informed on any developments on this matter.

*Question.* What does the Court Decision mean for fiscal year 2006? Will the Department be sending up an budget amendment to cover their obligation for fiscal years 2005 and 2006?

Answer. The issue is currently under consideration. As yet, the Administration is not proposing an amendment. The Department will keep the committee informed on any developments on this matter.

#### OFFICE OF THE SPECIAL TRUSTEE—HISTORICAL ACCOUNTING AND COBELL LITIGATION

*Question.* It is my understanding that the bulk of the \$76 million increase in the Office of the Special Trustee is for additional Historical Trust Accounting activities. Can you confirm that the entire increase is for Historical accounting activity, and can you update us on the progress of this exercise as it relates to the *Cobell* litigation?

Answer. The OST budget for 2006 includes \$135 million for historical accounting, an increase of \$77.8 million over 2005. The 2006 budget of \$135 million for the Office of Historical Trust Accounting provides an estimated \$95 million for IIM accounting, an increase of \$50 million above the 2005 level, and \$40 million for tribal accounting, an increase of \$27.8 million above the 2005 level.

The Department is currently involved in a major class action lawsuit, *Cobell v. Norton*, and 24 lawsuits associated with the management of Indian trust funds.

The following is a summary of the progress made in historical accounting for individual accounts:

Through December 31, 2004, the Office of Historical Trust Accounting had reconciled more than 36,700 judgment accounts with balances totaling more than \$53 million and reconciled 7,360 per capita accounts with balances of over \$21.7 million. OHTA also has resolved residual balances in 8,496 special deposit accounts, identifying the proper ownership of \$40.8 million belonging to individual Indians, Tribes, and private entities. OHTA has also reconciled over 5,600 transactions from land-based IIM accounts representing over \$348 million moving through IIM accounts. In addition, OHTA has mailed over 9,500 historical statements of judgment and per capita accounts to individual Indian account holders and former account holders.

#### Summary Data on Accounting Results To Date

##### High Dollar Transactions—\$100,000 or More:

- Ninety-three percent (or 865) of all 930 high dollar debit transactions of \$100,000 or more were reconciled.
- Eight differences were found in the 865 reconciled high dollar debit transactions. These differences all arose in the settlement of three probates. Three of these eight differences were to the disadvantage of the IIM accountholder, totaling \$1,807, and five were to the advantage of the IIM accountholder, totaling \$1,908.
- Fifty-eight percent (536) of all 919 high dollar credit transactions of \$100,000 or more were reconciled.
- Twenty-seven differences were found in the 536 reconciled credit transactions, of which twenty were to the benefit of the IIM accountholder (overpayments), totaling \$21,468, and seven were to the disadvantage of the IIM accountholder (underpayments), totaling \$2,071.

##### Transactions Less than \$100,000:

- Ninety-two percent (1,887) of all 2,044 randomly sampled debit transactions were reconciled. No differences between the posted amount and the supporting documentation were found in the reconciled transactions. While more needs to be done here, a statistical inference can be made by using additional assumptions.
- If only sampling error is considered, these results make it possible to infer with more than 99 percent assurance that the difference rate is less than 0.5 percent for all 5.23 million debit transactions under \$100,000.
- Fifty-nine percent (1,418) of all 2,401 randomly sampled, in-scope credit transactions of less than \$100,000 were reconciled. Eleven differences were found, of which seven were overpayments totaling \$18 and four were underpayments totaling \$505. While well along, no statistical inferences can yet be drawn at this time about the population of all 19.68 million.

The percentage of dollars in error compared to dollars reconciled is less than eight-thousandths of one percent (0.007 percent).

*Question.* For the past two years, we have included bill language that allows Self Governance tribes the ability to perform a number of trust duties.

Can you update us on the implementation of the self determination demonstration as a model for tribal participation in trust management?

Answer. Pursuant to the authorities provided in the Indian Self Determination and Education Assistance Act (Public Law 93-638, as amended) all tribes have been authorized to perform trust functions on behalf of the United States Government since passage of the Act in 1975. The demonstration project did not provide any additional authorities for the demonstration tribes to perform any other trust duties than they were already authorized to perform.

Sec. 131 of the General provisions of the Interior and Related Agencies title of the Consolidated Appropriations Act of 2005 provides the assurance that funds appropriated for fiscal years 2004 and 2005 shall be available to the tribes within the California Tribal Trust Reform Consortium, and to the Salt River Pima Maricopa Indian Community, the Confederated Salish-Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Tribe of the Rocky Boys Reservation on the same basis as funds were distributed in prior years. Furthermore, it allows these tribes to operate their programs separate and apart from the Department of the Interior's trust reform reorganization, and ensures that the Department will not impose its trust management infrastructure upon or alter the existing trust resource management systems of the above referenced tribes.

The bill language has also required that the participating tribes agree to carry out their responsibilities under the same standards as those to which the Secretary of the Interior is held and further, that they demonstrate to the satisfaction of the Secretary that they have the capability to do so.

In order to ensure that the demonstration tribes had the capability to perform in accordance with these standards, examinations of their trust programs were conducted. With only one exception, the participating tribes demonstrated that they were capable of performing the trust functions compacted under the same standards as those to which the Secretary is held. The one tribe deemed not capable has since prepared a corrective action plan that is successfully addressing the weaknesses identified. Communication with the participating tribes is ongoing and follow-up to last year's examinations is currently being done.

The Department understands that the original intent of this language was to protect the participating tribes from any adverse impact, budgetary or otherwise, that was perceived might occur as a result of the implementation of the Department's trust reform initiatives. Many of these reforms have already been put in place with no negative impact on any of the tribes including those participating in the demonstration program. Furthermore, none is expected.

*Question.* The *Cobell* litigation continues to concern the Subcommittee as we grapple with providing funds for basic Indian Affairs services.

Can you update us on the latest progress in the *Cobell* case?

Answer. In June 1996, the Department was named, as defendant in the *Cobell v. Babbitt*, now *Cobell v. Norton* litigation. This is a class action lawsuit for an accounting of funds held in trust by the Federal Government for individual Indians in Individual Monies Accounts. The district court in *Cobell* certified the class as consisting of all present and former beneficiaries in the IIM accounts.

On December 10, 2004, the Court of Appeals addressed the district court's September 25, 2003 order. The ruling addressed the two main categories of the district court's decree: "Historical Accounting" and "Fixing the System." The Court found that Historical Accounting was governed by Public Law 108-108 and thus vacated the district court's order with respect to that portion of the case. In so finding:

—The Court pointed out that Congress passed Public Law 108-108 "to clarify Congress's determination that Interior should not be obliged to perform the kind of historical accounting the district court required."

—The Court stated "The committee 'reject[ed] the notion that in passing the American Indian Trust Management Act of 1994 Congress had any intention of ordering an accounting on the scale of that which has been ordered by the Court. Such an expansive and expensive undertaking would certainly have been judged to be a poor use of Federal and trust resources.'"

The Court rejected the plaintiffs' argument that Public Law 108-108 amounted to a legislative stay of a final judicial judgment and thus violated the separation of powers doctrine. The Court found a critical distinction between statutes that reverse final judgments for money damages and statutes that alter substantive obligations of parties subject to ongoing duties under an injunction.

Plaintiffs also argued Public Law 108-108 violated the due process and takings clauses of the Fifth Amendment. The Court rejected this argument, noting that plaintiffs did not explicitly identify the property right being taken other than to reference the right to interest earned on trust accounts. The Court also pointed out that "Congress may provide a simpler scheme than the district court's, while nonetheless assuring that each individual receives his due or more."

While the second part of the Court's decision focuses on "Fixing the System," elements of it are important to decisions relating to historical accounting. The Court confirmed an earlier district court observation that the establishment of a trust relationship does not mean that plaintiffs can automatically "invoke all the rights that a common law trust entails." The Court reasserted that the government's duties must be "rooted in and outlined by the relevant statutes and treaties . . ."

The Court also focused on the government's argument that normally private trust expenses are met out of the trust itself, pointing out "[T]hus plaintiffs here are free of private beneficiaries' incentive not to urge judicial compulsion of wasteful expenditures."

In short, the Court's decision invites a discussion within both the Executive Branch and the Congress as to what is an appropriate historical accounting.

On February 23, 2005 the *Cobell* court issued an order reinstating the structural injunction previously issued on September 23, 2003, directing the Department to conduct a far more expansive accounting and requiring that it be completed under even more constrained time lines. The current order requires extensive work beyond what is currently budgeted in 2005 or proposed in 2006 to be completed by January 6, 2006. In addition to the planned completion of accounting for all judgment and per capita accounts, the court order directs that indexing of all trust-related records located at Federal facilities in Albuquerque, New Mexico, and Lee's Summit, Missouri, the systems tests related to electronic data gaps, and the systems conversion from the Integrated Records Management System (IRMS) to the Trust Funds Accounting System.

The Department's fiscal year 2005 and fiscal year 2006 budget for historical accounting is based on continuing efforts as outlined in the January 6, 2003 Historical Accounting Plan. However, as a result of the district court reissuing the structural injunction on historical accounting on February 23, 2005 the Department is continuing discussions with the Department of Justice on the course of action available. The preliminary estimate developed by the Department is that it will cost between \$12 and \$13 billion to comply with the court order. The Department's budgets for 2005 and 2006 are not constructed to address these requirements.

On March 9, 2005 the Department of Justice filed an Emergency Motion For Stay Pending Appeal of the structural injunction issued by the district court on historical accounting with the Court of Appeals. The Court of Appeals granted the Stay Pending Appeal on April 7, 2005.

*Question.* I see that Judge Lamberth's recent decision re-imposes his structural injunction in the *Cobell* case.

What would be the impact on the Department, and particularly its Indian programs, if the injunction remains in place given the limitations of the current fiscal environment?

*Answer.* As noted above, the Department's fiscal year 2005 and fiscal year 2006 budget for historical accounting is based on continuing efforts as outlined in the January 6, 2003 Historical Accounting Plan. The preliminary estimate developed by the Department is that it will cost between \$12 and \$13 billion to comply with the court order structural injunction. The Department's budgets for 2005 and 2006 are not constructed to address these requirements.

If the Court of Appeals does not grant an appeal of the district court structural injunction, the Administration and the Congress will be forced to address how to comply with the district court order, which would have a severe impacts on the Federal budget.

As this Committee noted in enacting Public Law 108-108, Congress observed that the reallocation of resources required by the initial 2003 injunction "would be devastating to Indian country and to the other programs in the Interior bill." As the committee report explained, the expenditure of billions of dollars on an accounting "would not provide a single dollar to the plaintiffs, and would without question displace funds available for education, health care and other services." H.R. Conf. Rep. 108-330, page 117.

*Question.* What has been the nature of your discussions with the authorizing committees with regard to a long-term solution to the trust reform problem?

*Answer.* Staff from both the Senate and House authorizing committees participated in the discussions held last year with the plaintiffs in the *Cobell* litigation. The Administrations position throughout these discussions has always been that

any settlement must be fair and equitable to both the beneficiaries and the taxpayers. Any long-term trust reform effort must include a method to fully address fractionation of individual Indian lands.

*Question.* Am I wrong to assume the mediation process started last year is faltering and will probably not result in the resolution of this case?

Answer. Through the efforts of the authorizing committees, the plaintiffs and the Department participated in a mediation of the Cobell case last year. The mediators, selected by the parties, conducted numerous meetings, both jointly and separately with the parties. However, to date, no material progress can be reported by the Department. The Committee is encouraged to contact the mediators directly for a constructive discussion of the mediation process and results.

The Department is committed to a resolution of this litigation that is both fair to all parties and is based on a supported basis for a settlement. Despite the efforts of this Administration and the previous Administration, mediation, and Congressional interests, the Department believes that only Congress can resolve this litigation, either through a legislative settlement or by clearly defining what is intended when it required an accounting of trust funds in the 1994 Trust Reform Act.

#### LANDOWNER INCENTIVE PROGRAM

*Question.* According to the fiscal year 2006 budget justification, the Fish and Wildlife Service has yet to develop performance measures for the Landowner Incentive Program.

What have been the major obstacles to establishing these measures?

Answer. The Service expects to have quantifiable, meaningful baseline performance measures completed by the end of this fiscal year. In establishing these goals, the Service is working through several obstacles including determining achievable accomplishments in coordination with our State grant recipients, and a lack of standardized data and monitoring protocols.

*Question.* When will these measures be fully implemented?

Answer. The Service will have established baseline performance measures by the end of this fiscal year and will strive to get them incorporated into future budget justification documents. This timeframe allows our grant recipients to have implemented and reported on their grant accomplishments for 2–3 fiscal years, which will improve the accuracy of the data and allow us to validate our performance measures. The planned performance measures will be in effect for our fiscal year 2007 budget process.

*Question.* Given the lack of adequate performance measures and tight budget constraints, does it make sense to propose such a large increase for this program (\$16 million)?

Answer. Yes. The Service has strict grant selection criteria and reporting requirements that ensure all grant projects are of high quality and benefit many species in need of conservation. As a relatively new program, many States have recently set up the infrastructure and developed the critical partnerships with private landowners that are needed to achieve the program's goals. By increasing funding, the program will be able to carry out its mission in more States than currently possible and have in place a strong program that will build on its previous successes.

#### FISH AND WILDLIFE SERVICE CONSTRUCTION

*Question.* The fiscal year 2006 request proposes to reduce the construction account by \$33 million. There are no plans to construct any of the high priority visitor centers or to complete visitor centers that are currently in the design and/or construction phase.

What are the agency's long term plans for meeting visitation needs on the refuge system?

Answer. The National Wildlife Refuge System Improvement Act states that compatible wildlife dependent recreation uses (hunting, fishing, wildlife observation, photography, interpretation, and environmental education) are the priority general public uses of the System through which the American public can develop an appreciation for fish and wildlife. In order to meet growing visitor demands, the Service has initiated its visitor facility enhancements program. In contrast to large-scale projects such as visitor centers, the new program focuses on construction of small-scale visitor facilities such as kiosks, boat ramps, photo blinds, and fishing piers that allow Americans to experience wildlife up close. We believe this program is better suited to meet the future interests of our visitors.

*Question.* What methods (such as the use of standardized nationwide designs) has the agency explored to reduce the cost of facilities?

Answer. In 2002, the Service's Division of Engineering produced a comprehensive document titled, "Site Adaptable Facility Designs—A Planning Guide for New Projects." This manual provides standard design guidelines for 5 categories of facilities: office buildings, maintenance buildings, housing, storage buildings, and comfort stations. This is evidence that the Service is very much committed to using standard designs—where it is proven to be cost effective. In addition, Region 5 recently completed standardized designs for a small, medium and large visitor center and plans to use them consistently throughout that region. The National Wildlife Refuge System program office and regional offices are currently evaluating these designs to determine whether they are appropriate for use elsewhere in the Service.

*Question.* Has the agency considered greater use of outside engineering firms to lower the cost of designing and constructing needed facilities?

Answer. In fiscal year 2004, the Service outsourced approximately \$17 million of engineering work to Architectural/Engineering contractors, or 61 percent of the total planning, design, and construction management obligations associated with 503 projects. While we continue to look for other ways to engage contractors, the Service has found that this level of contract work with outside engineering firms seems to be very efficient. In fact, the Service believes that greater use of outside engineering firms would increase the cost of completing smaller deferred maintenance and rehabilitation projects—of which there were 360 such projects in fiscal year 2004, because smaller deferred maintenance projects are not cost effective to bid, and A/E firms are not typically interested in small projects that are geographically dispersed throughout the nation. However, the Service plans on conducting a comprehensive competitive outsourcing study of all engineering-related professional disciplines in fiscal year 2006 in order to make sure that all possible efficiencies are being utilized.

#### FISH AND WILDLIFE MIGRATORY BIRD PROGRAM

*Question.* The fiscal year 2006 request proposes an increase for existing joint ventures in addition to funds for six new joint ventures. Given tight budget constraints, the Committee may not be able to provide all of these requested funds.

Is it a greater priority to provide additional funds for the current joint ventures, or is it more important to start up the new ventures?

Answer. Due to rescissions and fixed cost increases, current joint ventures received slightly less funding in fiscal year 2005 than in fiscal year 2004. Therefore, it is a top priority for the existing joint ventures to receive the requested fiscal year 2006 increase. At the same time, bird conservation partners in areas of the country without joint ventures continue to organize and support new joint ventures to meet outstanding bird conservation needs and deserve some level of assistance from the Service.

*Question.* Of the six new proposed joint ventures, which are of greatest importance to begin as early as possible?

Answer. The Central Hardwoods Joint Venture has met all the Service-established criteria for receiving funding support, including the development of an approved Joint Venture Plan. The Northern Great Plains Joint Venture is expected to complete work on their Plan in the next few months. These should be the first of the new joint ventures to receive funding. All of the new joint ventures are making progress toward these same criteria.

#### FISH AND WILDLIFE SERVICE SCIENCE INITIATIVE

*Question.* The fiscal year 2006 budget request proposes \$2 million for a science excellence initiative within the Fish and Wildlife Service budget.

Are these funds to enhance the Service's scientific capability?

Answer. No, the \$2 million requested for the Science Excellence Initiative would not be used to manage the Service's existing scientific capability; it would be used to meet mission-critical needs that cannot be met within core capabilities. The funds would be used to develop additional partnerships and mechanisms to enable the Service's scientists to collaborate more effectively among themselves and with expert scientists in other organizations, especially the U.S. Geological Survey. For example, funds (\$500,000) requested to establish one or more communities of practice would bring together expert scientists in the Service and USGS and provide them with a mechanism to share and exchange scientific information and work together on high-priority fish and wildlife issues. These communities of practice would largely be virtual fora where experienced scientists and new scientists alike could go to accelerate their learning about emerging scientific techniques and scientific information, and to discuss specific situations where those techniques and that information were instrumental in resolving fish and wildlife issues or in preparing fish and wildlife



management plans, such as recovery plans and refuge management plans. Similarly, about a quarter of the funds requested would be used by the Service to work directly with USGS's Cooperative Research Units, which have unique capability to provide the timely technical assistance, scientific expertise and scientific information Service scientists need to manage fish and wildlife on-the-ground, particularly on refuges, in National Fish Hatcheries, and in a variety of restoration programs, like those supported by the Partners for Fish and Wildlife program. Likewise, about a third of the funds requested would be used to work directly with USGS scientists in relationships that would resemble consultancies or limited scientific partnerships. These relationships would enable operational scientists in the Service to acquire special kinds of expertise, such as in ecological modeling and adaptive management, that they need to manage refuge lands, conserve threatened and endangered species, conserve migratory waterfowl, and restore interjurisdictional fisheries.

*Question.* Why does the Service need to develop this science capability in-house rather than relying on USGS to meet these needs?

*Answer.* The Service must have the operational scientific capability to apply cutting edge science and complex scientific methods to administer the programs for which our agency is responsible. While we rely upon USGS and other science organizations for many research needs, where information is needed to inform our management; the effective administration of our science-based management programs requires operational science capability at a high level. This increase request is to enhance this operational science capability within the Service.

The Service needs to provide its front line scientists with the basic means they need to acquire the scientific information, scientific expertise and technical assistance they use daily to address complex resource management issues. Service scientists, many of whom work at isolated duty stations with only one or two peer scientists, must be linked to the broader scientific community and to world-class scientific institutions, where they can go for assistance and consultation. The \$2 million requested for the science excellence initiative would link the Service's operational scientists with one another and with USGS's research scientists through: (1) communities of practice, which would enhance collaboration among scientists engaged in issues like structured decision support systems, conservation genetics and adaptive management; (2) consultancies and limited partnerships that would enable the Service's operational scientists to work hand-in-hand with USGS expert scientists on particularly complex resource issues; and (3) collaborative ventures with Cooperative Research Units, which would enable Service scientists to augment their expertise by acquiring special expertise and information housed in CRUs.

*Question.* How, if at all, is the USGS involved in this initiative?

*Answer.* USGS is a willing and supportive partner in the Science Excellence Initiative and in the Service's \$2 million request in fiscal year 2006. Directors Groat (USGS) and Williams (FWS) conferred extensively about their bureaus' priority budget needs in both fiscal year 2005 and fiscal year 2006. In fiscal year 2005, the bureaus built budget initiatives that were complementary and carefully integrated, and which were intended to provide both bureaus with much-needed capabilities to address local issues confronting our nation's fish and wildlife. However, funding to support these capabilities was not appropriated. Nonetheless, the Directors collaborated again in developing their fiscal year 2006 budget proposals. Director Groat (USGS) lent his full support to the Service's request for \$2 million in fiscal year 2006 for its Science Excellence Initiative.

In addition to being a supportive partner, USGS is also willing to work with the Service to help develop the infrastructure and collaborative relationships that would be supported by the Service's \$2 billion budget request. Director Groat and his senior managers in the biological discipline, as well as leaders at Cooperative Research Units and the Survey's research centers, await opportunities to work with the Service to establish communities of practice and science consultancies, and to work together on pressing resource issues at local levels.

#### FISHERIES PROGRAM

*Question.* The fiscal year 2005 budget justification did not adequately describe the impacts that the proposed budget would have on the fisheries program. The Committee learned well after the submission of the budget that several important hatchery facilities would be put in caretaker status or be closed completely. The Committee provided additional funds to prevent these closures.

At the levels proposed in the fiscal year 2006 request, will any hatcheries be closed or have significant staff reductions?

*Answer.* No National Fish Hatcheries will close or have significant staff reductions in fiscal year 2006 at the proposed levels. The President's fiscal year 2006

Budget Request includes increases of \$2.111 million for National Fish Hatchery System (NFHS) operations funding and a general program increase of \$345,000 for maintenance funding. These increases will allow the NFHS to clearly focus on implementation of priority restoration, recovery, and science and technology projects to achieve goals outlined in the National Fisheries Program Strategic Plan.

*Question.* Does the fiscal year 2006 request maintain the additional \$885,000 that the Committee added to the base program for fiscal year 2005?

Answer. The fiscal year 2006 request does not include the additional \$885,000 that the Committee added to the base program in fiscal year 2005.

#### ESA CONSULTATION BUDGET

*Question.* The Committee frequently hears from various groups that it take too long for projects to receive their section 7 consultation approval from the Fish and Wildlife Service.

What has been the level of staffing for this program for each of the last five years?

Answer. The number of full time equivalents (FTE) working on consultations in the past five years has been as follows:

Fiscal year	Full time equivalents
2000 .....	380
2001 .....	430
2002 .....	480
2003 .....	480
2004 .....	480
2005 .....	480

*Question.* Is there a large backlog of proposed projects that need section 7 consultations?

Answer. The Service attempts as much as possible to meet the consultation timeframes imposed by the Act. However, the Service acknowledges that its consultation workload is high and increasing and is taking steps to address it. We have recently promulgated two joint counterpart regulations that are intended to provide flexibility in the ways a Federal agency may meet its obligations under the ESA by creating alternative procedures to the section 7 consultation process. They reduce our workload by enhancing the efficiency and effectiveness of the section 7 consultation process by increasing interagency cooperation and providing two optional alternatives for completing section 7 consultation. We have promulgated a counterpart regulation for EPA pesticide consultations under the Federal Insecticide, Fungicide and Rodenticide Act. As part of the President's Healthy Forests Initiative, we developed counterpart regulations with the Bureau of Land Management, National Park Service, Bureau of Indian Affairs, USDA Forest Service, and the National Marine Fisheries Service to streamline consultations on proposed projects that support the National Fire Plan.

*Question.* If so, would additional personnel reduce this backlog?

Answer. Yes, additional personnel could help address the backlog in the short-term. However, we have a continued effort to streamline consultations to reduce the backlog in the long-term. Accordingly, additional personnel may not be the best use of resources in the long run.

*Question.* How much funding does the Service receive from other Department of the Interior agencies and the Forest Service for consultation work on hazardous fuels reduction projects?

Answer. Agreements were signed in 2001 within the Department of the Interior and with the Forest Service and BLM that allow the Service to be reimbursed by the fire management agencies for costs associated with the increased consultation workload related to the fire plan. Since fiscal year 2001, over \$12.7 million appropriated to the Forest Service and BLM for the purposes of wildland fire management has been made available to the Service through these agreements and subsequent modifications.

*Question.* Are these funds from other agencies certain enough that the Service can hire on additional staff to perform this work or does the amount of funds vary too much from year to year?

Answer. The interagency agreement funding has supported approximately 43 full time equivalent employees to work on fire consultations to date. Agreements negotiated in 2001 provided funding through 2006 or until expended. In addition, in many Field Offices, the Service reassigned its most experienced section 7 staff to

work on the National Fire Plan. These biologists are now available to assist the fire management agencies in early project planning.

---

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

BUREAU OF LAND MANAGEMENT

*Questions.* The 2004 fire season was the worst Alaska has ever seen. Alaska had 703 fires and over 6.6 million acres burned. Not only did these fires affect the land and wildlife in various regions of the state, but the health and safety of nearby residents. For more than 15 days, the EPA rated the air quality in Fairbanks as “hazardous,” meaning that particulate matter in the air exceeded 350 micrograms per cubic meter. At several times during the summer, Fairbanks and the surrounding communities exceeded 995 particulates per cubic meter. A typical day in Fairbanks rates 10 micrograms per cubic meter. Residents had to avoid any outdoor exertion, and people with respiratory or heart disease, the elderly, and children had to remain indoors.

I have received reports that the effects of these fires could have been diminished, but the federal agencies lacked the resources, manpower, and equipment necessary to adequately attack these fires at their inception. This led to relatively minor fires expanding until they burned out of control.

Given the 2004 fire season in Alaska, has the Department reevaluated its procedures? What changes, if any, have been made to fire policy, particularly in areas with less population but where fires, if left to burn, could have devastating effects on the land and to wildlife? Do you feel that the Department’s budget has adequate resources for this upcoming fire season?

*Answer.* The Alaska Wildland Fire Coordinating Group (AWFCG) has been actively evaluating operations and procedures based on the 2004 fire season. This group consists of the Department of the Interior’s National Park Service, Fish and Wildlife Service, Bureau of Indian Affairs and the Bureau of Land Management, along with the Department of Agriculture’s Forest Service, the State of Alaska, and representatives from Chugachmuit and Tanana Chiefs.

As part of the evaluation process the AWFCG sponsored a series of 13 public meetings in communities throughout Alaska’s interior and in Anchorage. Additionally, AWFCG participated in and took comments at the fall meeting of the Forty-Mile Miners Association and the Bureau of Indian Affairs Providers Conference. A wide range of concerns and comments raised at those meetings are now being addressed.

The AWFCG has developed a summary of the public comments, recommendations and actions based on the community meetings and written comments received since the 2004 fire season. This document can be found at the following web site: <http://fire.ak.blm.gov>. At this site, the document can be found by clicking on the fire planning section and referring to community meetings.

ACTIONS

*Fire Planning Process*

The AWCG reviewed the Alaska Interagency Wildland Fire Management Plan (AIWFMP) and confirmed that the plan is a positive approach to overall statewide fire management and that the plan provides the flexibility to make any needed adjustments based on the 2004 season.

The AIWFMP provides for an annual review of the management options for designated protection levels, e.g. critical, full, modified, and limited. The land management agencies have reviewed the boundary locations delineating these levels, and some boundaries have already been changed based on the concerns expressed by Alaska communities. Other boundary changes are being considered but are not yet final.

There were many concerns raised about the level and duration of smoke in the communities affected by last year’s fires. The AIWFMP currently provides flexibility for the land manager/owner or AWFCG to authorize an increased level of suppression as conditions require, regardless of management option designation. However, previously there were no criteria identified in the AIWFMP as to when this adjustment should be considered.

AWCG has drafted proposed evaluation criteria, or trigger points, for when increased suppression should be considered in the interest of smoke mitigation. The draft is being reviewed by the interagency wildland fire community and will be implemented before the upcoming fire season. However, it is important to recognize that, in any given situation, there is no guarantee that increased suppression will

successfully reduce fire impacts, including smoke. Moreover, one must be cognizant of the fact that, over time, successful suppression can actually increase fire risks by contributing to the buildup of hazardous fuels. Successful suppression strategies require a careful balancing of these short- and long-term risks.

In 1958, the State of Alaska was granted over 103 million acres of land under the Alaska Statehood Act. In 1971, Native Alaskans were granted 44 million acres of land under the Alaska Native Claims Settlement Act. At present, approximately 89 million still await final transfer. To remedy this situation, Senator Lisa Murkowski and myself sponsored the Alaska Land Transfer Acceleration Act to accelerate conveyances to the State of Alaska and Native Corporations, finalize pending native allotments, and complete the University of Alaska's remaining land entitlement by 2009—it became law in December 2004. While these legislative changes are a necessary component, the goal of completing conveyances by 2009 requires increases in funding.

*Question.* Given the importance of completing the Alaska conveyance process, why did BLM decrease funding for this program by over \$9 million?

*Answer.* The BLM fully supports the Alaska Conveyance program. The significant increase provided by Congress in the 2005 appropriations process could not be maintained in a constrained fiscal environment. The 2006 budget funds the program at the same level as in the 2005 request, with the addition of uncontrollables, which the Department believes at the present time is a more sustainable level. At the 2006 request level, the BLM will continue to make significant progress in transferring Federal lands in Alaska to other ownerships. New provisions provided by the recently enacted Alaska Land Transfer Acceleration Act will allow the BLM to accelerate the completion of the program and reduce costs.

#### FISH AND WILDLIFE SERVICE

*Question.* The Endangered Species Act provides broad protections for fish, wildlife and plants that are threatened or endangered. Every year, Congress appropriates hundreds of millions of dollars for that program. The spectacled eider and Steller's eider are two species in Alaska that have been listed as threatened. The Fish and Wildlife Service's budget proposes decreasing funding for their recovery by over \$1 million.

Given the importance of conserving endangered and threatened species and the ecosystems upon which they depend, what is the Department's justification for reducing funding for their recovery to less than \$500,000?

*Answer.* The requested changes in the recovery budget reduce the funding for the Alaska Sea Life Center to \$494,000, which will likely be used for collaboration between the Service and the Alaska Sea Life Center to continue coordination of the eider recovery team and applied studies on eider biology, physiology, and ecology; and continue outreach and education efforts involving Alaska Natives and other rural residents in eider conservation efforts. The \$1.9 million proposed increase in Recovery general program funding will actually increase the Service's ability to leverage existing funds with willing partners to implement the recovery programs for a wide variety of species. In this manner, we will still be able to complete our high-priority recovery planning and implementation actions.

*Question.* One requirement of the Marine Mammal Act is that marine mammal populations and the marine ecosystems upon which they depend be maintained at, or returned to, healthy levels. This mandate is of particular importance to my state given the number and types of marine mammals in Alaska and the need to ensure sustainable use of marine mammals for subsistence purposes.

What is the Department's justification for eliminating funding for Alaska Marine Mammals—over \$2 million was appropriated for this program in fiscal year 2005?

*Answer.* The earmark provided in fiscal year 2005 is targeted to two areas: (1) \$1,183,000 for cooperative agreements with Alaska Native organizations, and (2) \$986,000 for marine mammal surveys in Alaska. We anticipate that the tasks and projects funded with this earmark, and that are described below, will be completed in fiscal year 2005. The Service is committed to continuing to meet our responsibilities for marine mammal conservation and management under the Marine Mammal Protection Act, and recovery for those species listed under the Endangered Species Act. We anticipate that at the Administration's request level, we will be able to implement activities to conserve and manage marine mammals and meet our responsibilities.

The fiscal year 2005 appropriation included \$1,183,000 for grants to develop and implement cooperative agreements with Alaska Native organizations, under Section 119 of the Marine Mammal Protection Act of 1972, as amended in 1994. These agreements enhance the management of polar bears, Pacific walrus, and northern

sea otters in Alaska. In fiscal year 2005, funds are being provided to the Eskimo Walrus Commission, the Alaska Sea Otter and Steller Sea Lion Commission, and the Alaska Nanuq (Polar Bear) Commission, where they continue to be used to develop the management capabilities of the Native community for locally directed subsistence harvest. The funds appropriated in fiscal year 2005 help bring together people from remote villages to develop and implement effective and consensus management strategies, which enhances communication within the Native community and between the Native community and the Service. Other cooperative projects increase local involvement in gathering environmental data and compiling traditional knowledge to support sustainable use of marine mammal subsistence resources. The Service establishes Cooperative agreements with the three Commissions on an annual basis and therefore, these grant-funded tasks will be completed in fiscal year 2005. The Service has committed \$250,000 from our fiscal year 2006 budget for implementation of Section 119 Agreements.

The fiscal year 2005 Appropriation also included \$986,000 for the continued development of marine mammal population survey methods in Alaska. These funds provide the opportunity to obtain biological information to address high priority resource issues. They also help develop and test innovative survey techniques relating to walrus, sea otters and polar bears in Alaska. Survey activities undertaken with these funds will be used to refine remote sensing with thermal imaging to estimate walrus numbers, which dramatically increases the Service's ability to conduct critical abundance estimates for Pacific walrus. In addition, sea otter surveys funded with these dollars will be conducted to help evaluate regional trends for a declining population as well as questions regarding potential seasonal distribution changes within specific regions where numbers of sea otters have been depleted. Additional surveys conducted with these funds will improve information on the distribution of the southern Beaufort Sea polar bear populations. Successful completion of these preliminary projects also is expected during fiscal year 2005.

---

#### QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

##### STANDING ROCK IRRIGATION

*Question.* Low lake levels at Lake Oahe, which spans 231 miles from Pierre, the capital of South Dakota, to Bismarck, the capital of North Dakota, have been causing a number of problems for Standing Rock Sioux Tribe. From November 23–26, 2003, there was simply no drinking water at all in Fort Yates, ND. The Standing Rock Sioux Tribe purchased and distributed bottled drinking water and other supplies and the Bureau of Reclamation did what it could to restore the water supply to the community during that holiday weekend.

More than a year later, however, the community is dealing with the effects of low lake levels. It has hit the Tribe's irrigation program particularly hard. Last year, construction was completed on the Cannonball irrigation project as a part of the Garrison project, but a temporary change in the intake was required to operate in 2004 due to low water levels on Lake Oahe. The original intake was never used because 11 feet of sediment had accumulated over the intake. In order for the irrigation project to operate this year, a new intake is needed. The North Dakota delegation sent a letter to the Commissioner of the Bureau of Reclamation, Mr. Keys, on March 1, asking for funds to address this problem. Could you please tell us the status of a response to our letter?

*Answer.* A letter was signed by the Commissioner on April 5, 2005 in response to the North Dakota delegation. Attached is a copy of the letter for the record.

*Question.* Similar problems are plaguing two irrigation intakes that were constructed with BIA irrigation funds—the Fort Yates intake in North Dakota and the Eagle intake in South Dakota. The Tribe has asked about the possibility of a reprogramming of fiscal year 2005 BIA funds or an appropriation of fiscal year 2006 funds to extend these two intakes originally constructed with BIA funds. Could you give the Subcommittee an analysis of the status of the fiscal year 2005 funding in the BIA's irrigation program, and explain what authorization and funding level would be needed for the Subcommittee to appropriate funds in fiscal year 2006 to address these problems?

*Answer.* As these are extensions of two existing intake structures, this would fall under the BIA Irrigation Construction program. In fiscal year 2005, all Irrigation Construction funding was directed to the Navajo Indian Irrigation Project (NIIP). In fiscal year 2006 the President's Budget request for Irrigation Construction is \$12.8 million and consists solely of funding for NIIP.

The BIA has authority to undertake the Standing Rock water intake projects. However, any funding for these projects should be identified separate and apart from funding for NIIP. A consultant of the Standing Rock Sioux Tribe has provided an estimate of \$1.0 million for the Fort Yates intake extension project, which BIA has validated, and \$500,000 for the Eagle intake extension project which the BIA is in the process of assessing.

#### NATIONAL WILDLIFE REFUGE SYSTEM

*Question.* The fiscal year 2006 budget for the Fish and Wildlife Service includes an increase of \$12.9 million over the enacted level. With this increase the budget justification notes an associated increase of 10 FTEs. However, the Fish and Wildlife Service has indicated they may have to abolish as many as 200 positions under this budget request due to increased costs and assessments. Will any positions be eliminated or held open in fiscal year 2005 or fiscal year 2006 that have previously been filled? If so, please provide a list by region and field station.

*Answer.* The positions in question are located in the National Wildlife Refuge program. While they have been identified as a minimum staffing need, many of these positions have never been funded. The impact to the budget is in lost opportunities to address funding needs due to the absorption of fixed costs and across-the-board rescissions.

Since 2001, the total number of Refuge FTEs has increased by 419 positions, or roughly 16 percent. At the same time, however, the program has had to absorb roughly \$22.1 million in fixed costs that could otherwise have been used to hire almost an additional 278 new staff. The \$22.1 million amount is comprised of two factors. The first factor is the gap between the legislated pay increase level and the actual funding received for pay increases. Over multiple years, this gap has a cumulative impact. The second factor is the annual impact of across-the-board rescissions. In addition to preventing the program from hiring new staff, absorbing fixed costs reduces opportunities to leverage funds, support additional volunteers and partnerships, and provide additional services to the public.

The Service continues to monitor the situation. Before leaving positions unfilled, programs look at numerous other ways to contain costs. For example, the Service extensively uses partnerships and volunteers to contain costs: in fiscal year 2005, there were over 45,000 volunteers.

#### SCIENTIFIC INTEGRITY

*Question.* Has the Department done anything to look into the results of a recently conducted Union of Concerned Scientists and Public Employees for Environmental Responsibility Survey of U.S. Fish and Wildlife Service employees? How are you addressing these concerns about political interference at the Department?

*Answer.* The Fish and Wildlife Service has reviewed the information compiled by the Union of Concerned Scientists and by Public Employees for Environmental Responsibility. In addition, the Service has studied the survey techniques and survey instrument used by UCS and PEER. While the survey design, sample size, and response rate make it difficult to draw precise inferences from the data collected, we do not discount the fact that over 400 employees responded to this survey, expressing various forms of dissatisfaction or concern. The Service leadership will be considering these views and other more scientifically generated information in the coming months to determine appropriate steps to address such concerns. We believe that our requested \$2 million Science Excellence budget initiative will provide important support in this effort. With regard to the UCS/PEER inferences about political interference in decision-making, the Service believes it would benefit from revising its training programs to focus more attention on the roles of scientists, supervisors and managers in decision-making and to place greater emphasis on decision-support tools and their roles in structured decision-making. This effort will be directly supported by our fiscal year 2006 Science Excellence funding request and will strengthen and sharpen the application and role of science in the decision making process.

#### LEAFY SPURGE

*Question.* Please provide the funding levels by agency and management unit included in the fiscal year 2006 President's budget for leafy spurge eradication in North Dakota.

*Answer.* The Department's 2006 President's budget includes an estimated \$2.0 million in total for leafy spurge and yellow star thistle, broken out as follows, by bureau:

Agency	Amount
BLM .....	\$700,000
USGS .....	300,000
FWS .....	646,000
NPS .....	250,000
BIA .....	200,000

Funds are distributed based on priority needs and at this point in time, information on leafy spurge funding by state is not available.

#### TRIBAL PRIORITY ALLOCATIONS

*Question.* As you are aware, the Tribal Priority Allocations or “TPA” account in the BIA budget makes up 40 percent of Operation of Indian Programs funding. TPA funds basic, rubber-meets-the-road tribal services, including programs for tribal courts, Indian child welfare, housing, welfare assistance, adult education and forestry. The fiscal year 2006 request proposes to “evaluate” the allocation of funding under TPA and consider if there are better ways to distribute TPA funds. What assurance can you provide this Subcommittee that tribes will be consulted before any redistribution plan is put in place? Given that tribal consultation sessions are already being held in the formulation of the fiscal year 2007 budget, how will any reallocation or redistribution proposal affect the development of the fiscal year 2007 budget request?

*Answer.* The Tribes will play a significant role in the analysis of the current TPA funding formula. The Tribal Budget Advisory Council has established a working group to evaluate this issue. If the evaluation indicates a need to revise the funding formula, proposals will be developed and considered in consultation with the Tribes. This evaluation is in a very preliminary stage; therefore, the impact to the fiscal year 2007 budget request cannot yet be determined.

#### MNI SOSE WATER RIGHTS

*Question.* In December, 2004, the Bureau of Indian Affairs (BIA) notified the Mni Sose Intertribal Water Rights Coalition (Coalition) that its fiscal year 2005 funding had been eliminated. This Coalition consists of 28 tribes in the Missouri River Basin and has been operating for twelve years pursuant to a Memorandum of Agreement (MOA) with the BIA. The MOA was based on providing trust services and responsibilities to the Northern Plains Tribes due to a lack of BIA manpower, interagency relationships, and knowledge of trust issues. Can you tell the subcommittee why these funds were eliminated and whether or not the Department has identified unobligated funds that could be reprogrammed to the Coalition?

*Answer.* In fiscal year 2005, the budget for the Water Resources Management, Planning, and Pre-development, program was reduced by \$418,000. This restricted the program’s ability to fund all initiatives that had been supported the previous year. In distribution of the fiscal year 2005 funds, BIA staff carefully monitored the provisions required under the MOA between the Coalition, and also reviewed the Coalition’s proposed projects in accordance with national criteria. The coalition did not rank high enough, when compared to other Tribal needs, to receive funding. If funding becomes available for reprogramming, funding for the Coalition will be considered among other priority funding needs.

#### BIA REPLACEMENT SCHOOL CONSTRUCTION

*Question.* BIA is responsible for operating 184 schools in 23 states that serve roughly 48,000 children. The budget says that funding for the school construction program supports the President’s commitment to “leave no child behind,” and that the goal is to “provide an environment conducive to quality educational achievement.” Yet, the administration’s budget proposes to reduce funding for replacement schools by \$62 million. That’s a cut of 58 percent from the current enacted level, and 69 percent from the 2004 level. Congress has provided a substantial amount of money to the construction program over the past 4 or 5 years, and these projects take some time to complete. But despite the increases, one-third of BIA schools are still listed as being in “poor” condition. According to the budget, BIA has had some carryover balances in the construction account, so the thinking here is that by cutting the funding, the planning and design people can “catch up with construction awards.” BIA will carry over \$175 million in fiscal year 2006, approximately 55 percent of the \$319 million appropriated in fiscal year 2005. The National Park Service will carry over \$385 million, or 127 percent of the \$302 million appropriated last year. Yet, despite having more than twice the carryover as BIA, the request for

Park Service construction is actually up \$22 million, a 7 percent increase. Knowing that there are still 60 schools out there that are in drastic need of replacement, why is school construction funding being cut by 58 percent? And if this is really all about carryover balances, then why is the Park Service being spared a similar cut in its construction program?

Answer. The table below summarizes carryover as a percent of total available funding for NPS BLM, FWS, and BIA. However, carryover balances were not the only factor considered. The funding level for each construction account was based on an evaluation of facts specific to each bureau. For BIA, funding for school construction was reduced to maximize our ability to complete schools already in the design process or under construction. The budget maintains the pace of the current program by including funding to begin planning and design for future projects

[Dollars in millions]

	Fiscal year 2004				Fiscal year		Percent change fiscal year 2006 vs. fiscal year 2005
	Enacted BA	Total available <sup>1</sup>	Carryover	Carryover as a percent of total available	2005 enacted BA	2006 request BA	
NPS .....	\$409	\$723	\$339	47	\$355	\$358	1
BLM .....	14	28	14	50	11	6	-45
FWS .....	72	143	68	48	96	22	-77
BIA <sup>2</sup> .....	347	610	216	35	319	232	-27

<sup>1</sup> Total available includes carryover from prior years, recoveries, and new budget authority.

<sup>2</sup> The numbers shown for BIA represent the total construction account, not just school construction.

#### QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

*Question.* As you know, the National Center for Earth Resources Observation and Science (commonly known as “EROS”) in Sioux Falls, South Dakota, is an extraordinarily important resource not only for my state, but for our nation and the international community. You have been extremely helpful in working with me and others to avert the potential crisis that could have resulted from the May 2003 malfunction of the Landsat 7 satellite’s scan line corrector (SLC). Your cooperation in reprogramming funds for use at EROS helped to address funding shortfalls caused by the malfunction, and you were instrumental in assembling the President’s fiscal year 2006 budget request, which seeks funding increases that will help to ensure the long-term continuity of the Landsat data record. I look forward to working with you and my colleagues in Congress to ensure that this essential funding is delivered. I remain concerned, however, about the possibility that another more serious Landsat malfunction between now and the launch of its successor in 2009, at the earliest, could cause a gap in the Landsat data record. Does the USGS expect a Landsat data gap to occur?

Answer. A land imaging sensor is scheduled to launch on the first NPOESS (National Polar-orbiting Operational Environmental Satellite System) satellite (launch currently targeted for late CY 2009). The extent of a gap, if any, between Landsat 7 and NPOESS will depend on the continued health of Landsat 7 as well as NPOESS’ ability to remain on schedule. Given the uncertainties involved, the USGS and NASA are developing plans to buy imagery to mitigate any negative impacts to users of the Landsat data (discussed below in greater detail).

*Question.* Given that such a gap would diminish the value of the Landsat data record and potentially harm our data processing capabilities, it is in our interest to do all we can to prevent a gap from occurring. Could you outline the preventive steps being taken by USGS?

Answer. USGS flight engineers continually monitor telemetry from Landsat 7 to maintain the health and safety of the spacecraft and the sensor on board. For several months in 2004, the engineers tracked anomalies in the performance of one of Landsat 7’s three gyroscopes, which are used to maintain and control the position and orientation of the spacecraft. After extensive analysis, the USGS decided to shut off one “gyro”. During the same period, the USGS worked closely with NASA experts to perform a risk assessment, as the Landsat 7 satellite design requires two gyros for successful operation. The USGS continues to monitor the remaining gyros. So far, however, the remaining gyros are functioning with no problems, and they could last for the duration of the mission. The USGS is taking preventive steps, though, by conducting a study that would allow for operation of the satellite using



a single gyro. This approach has worked successfully on other satellites designed for two-gyro performance, and a hardware/software test of single-gyro flight procedures is planned for the summer of 2005.

*Question.* Further, should these preventive steps fail, how would USGS minimize the negative consequences of a gap?

*Answer.* In case these preventive steps fail, the USGS, with NASA and with input from the user community, is investigating alternatives for partial mitigation of a data gap. That is, while no single satellite or combination of satellites can duplicate the spectral content and geographic coverage of Landsat 7, one or more foreign land-observing satellite systems may be able to provide, at reasonable cost, twice-annual global coverage of imagery with spectral characteristics that are somewhat similar to Landsat 7. The USGS is currently evaluating data from such systems and holding preliminary discussions with the data providers.

*Question.* Finally, could you explain the extent to which the President's fiscal year 2006 budget request for Landsat 7 operations and the Landsat Data Continuity Mission would help to prevent and respond to a potential gap?

*Answer.* Baseline funding for the USGS Land Remote Sensing Program supports ongoing, routine efforts to obtain and characterize sample data sets from commercial land-observing satellites and from international government systems. In cooperation with NASA scientists, sample data sets from systems capable of providing global land coverage are currently being evaluated. Program funding for fiscal year 2006 is projected to continue supporting this effort. Should Landsat 7 fail during fiscal year 2006, it is presumed that flight-operations funding for Landsat 7 could be shifted toward obtaining alternative data once the decommissioning effort is completed. LDCM is the longer-term solution to the status of Landsat 7. Timely launch of a new land sensor by 2009 will provide a full replacement for Landsat 7.

#### CONCLUSION OF HEARINGS

Senator BURNS. Thank you very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:12 a.m., Wednesday, March 10, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]